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MANCHURIA AND KOREA

H. J. WHIGHAM

MANCHURIA AND KOREA

BY THE SAME AUTHOR

THE PERSIAN PROBLEM

With Maps and Illustrations

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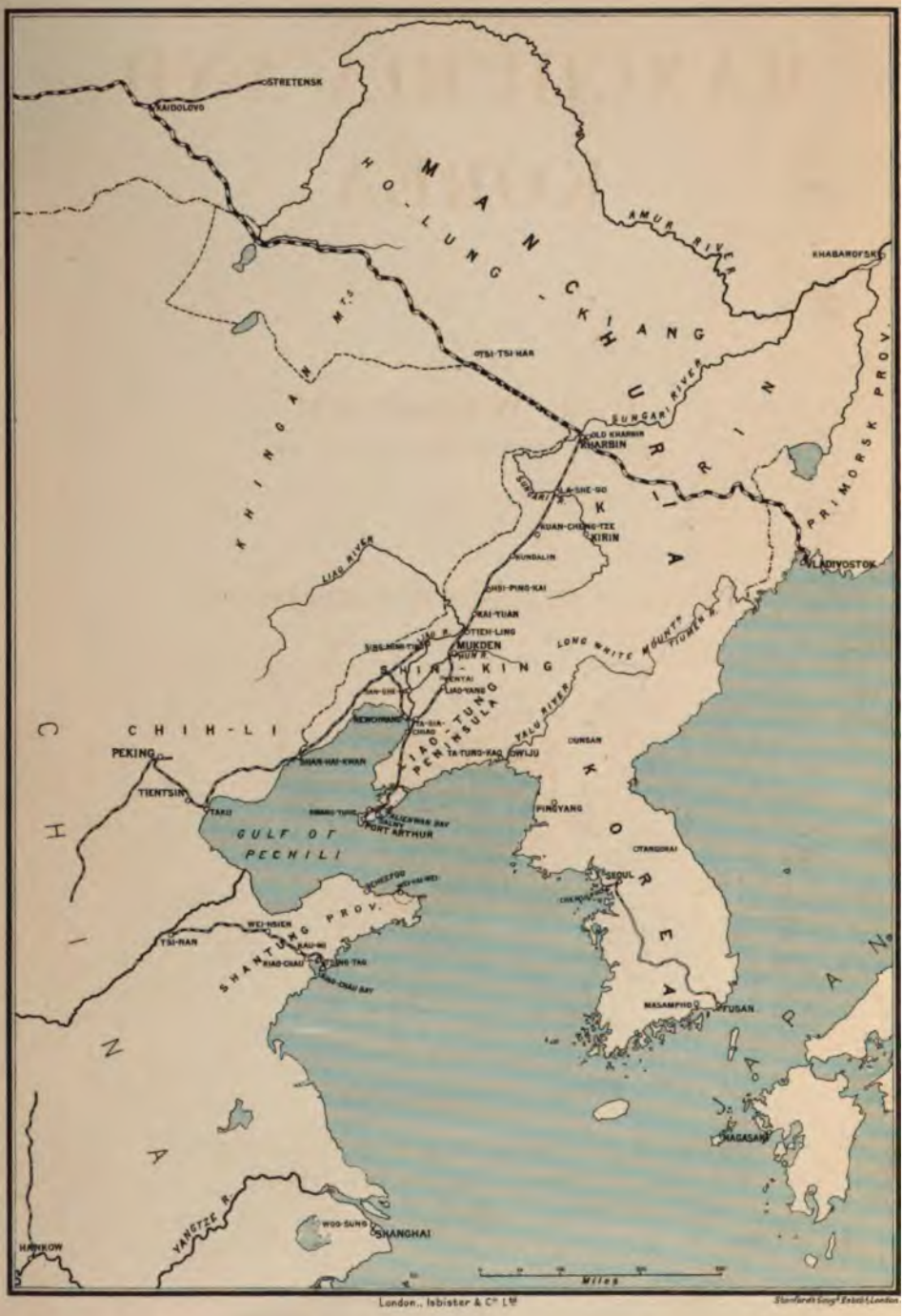

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MANCHURIA AND KOREA

BY

H. J. WHIGHAM
AUTHOR OF "THE PERSIAN PROBLEM," ETC.

WITH A MAP AND ILLUSTRATIONS

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NOTE

The following chapters were written by the author at the close of 1903, but owing to his sudden departure for the seat of war he had no opportunity of revising them. It was also his intention to summarise the general position.

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DALNY—GENERAL VIEW

CHAPTER I

THE BIRTH OF DALNY

THE summer of 1901 saw the end of the famous International Expedition to China. After nearly a year's haggling the wily representatives of the Empress Dowager at Peking had proved victorious; the Powers were tired to death of interminable negotiations, which as often as not led to unseemly squabbles amongst themselves; about half of the "irrevocable" demands of the peace protocol had been whittled down until they were entirely deprived of their original intention, the other half were being rapidly disposed of like Government measures in the House of Commons when the twelfth of August draws near; the Imperial Court was publishing insolent edicts while packing up for the return to Peking; the debâcle had begun, and the armies of the Powers were melting away like the snows beneath a summer sun.

The one Power that stayed where it was and said as little as possible was Russia. The Russian troops had long ago been withdrawn from Chih-li in order that the Tsar might the better pose as the friend and protector of distracted China; but the three Eastern Provinces, which go under the collective title of Manchuria, were still occupied by a large

and increasing Russian army; the Chinese Eastern Railway which had been pulled to pieces by the Boxers was being rapidly restored, so much so that by June it was reported that through communication had been established between Vladivostok and Port Arthur *viâ* Kharbin; even the Treaty Port of Newchwang was, contrary to all precedent, in the hands of a Russian Administration. Nobody really knew what was going on in Manchuria. The Russian Government had already made numerous proposals with regard to the evacuation of the country which Foreign Governments and the Foreign press apparently accepted in good faith; it was even suggested in a leading Japanese paper that Port Arthur was to be abandoned and a return made to the line of the Amur. The English and American press was equally credulous, especially the American, and I well remember a severe article which appeared about that time in an important New York organ wherein the more suspicious section of the English press was soundly scolded for its ridiculous hostility to Russia. But though the discussion went on as to whether Russia would or would not evacuate Manchuria, nobody seemed to take much trouble to examine the actual facts of the case or to visit the scene of operations; and so it occurred to me in June of 1901 to go and see for myself what the Russians were doing in the North.

It need hardly be said that there were difficulties in the way of a British subject travelling in Manchuria; nor is it necessary to remark that all such difficulties were ridiculed by the Russian

consular official in Shanghai. Indeed, so certain was that gentleman of his facts that he advised my returning to Europe *viâ* the Manchurian Railway, which he assured me was finished and in working order, in preference to taking the longer Amur route. I happened to know from other sources that the rails were not laid much beyond Mukden. But such discrepancies in respect of easily ascertainable facts were not confined to Shanghai. At Cheefoo, on my way north, I met a British officer who had intended to reach the Siberian railroad *viâ* Manchuria, and had taken the trouble to go across to Port Arthur to make inquiries at railway headquarters. There he had been told that there would be no difficulty whatever in going by train all the way from Newchwang to St. Petersburg—and this in spite of the fact that there were two gaps of over a hundred miles each in the line and no passengers were accepted beyond Mukden.

For my own part, as my object was not to return to Europe but to see what I could of the Russian movements in Manchuria, I was not much affected by Russian promises which I was in a position to discount, but I secured, as a matter of form, a passport, *visèd* by the Russian consul in Shanghai, permitting me to travel in Russian territory and started for Port Arthur by way of Cheefoo.

At that time there were no direct steamers from Shanghai to Dalny, and only an occasional boat running from the Yangtze region to Port Arthur; so it was necessary to take a steamer to Cheefoo, and from there a little packet ran nightly to Port Arthur,

carrying the mails and a host of Shantung coolies for work on the railway. Fortunately for the coolies it was not a very long crossing—a matter of ten hours or so—for they were so closely packed between decks that they could hardly sit down. The stream of labourers into Manchuria is almost incessant, because the majority do not settle in the country but return to the family roof tree in Shantung as soon as they have saved up a few roubles. They take their rice with them, enough to last a month or two, and spend nothing at all beyond a few cash for tea in the strange country. They are a healthy lot, these Shantung coolies, but inclined to be mal-odorous, so that we were not sorry to see the coast of the Liao-tung peninsula loom up a little after daybreak. We found ourselves confronted by two long converging lines of barren rocky hills which ran at an obtuse angle into a pocket, at the bottom of which was Port Arthur itself. From a spectator's point of view Port Arthur is a miserable hole. The harbour is practically landlocked, so that at a few miles distance one appears to be approaching a solid wall of rock. In this respect it resembles Santiago, which with hardly any assistance in the shape of modern artillery offered so impregnable a front to the fleet of Admiral Sampson in the Spanish-American War. But there the resemblance ends, for the inlet of the sea at Port Arthur is wretchedly small, and the town, such as it is, being just behind the entrance, would have a very unpleasant time of it during a bombardment by a hostile fleet, while the present accommodation inside the harbour is very

inadequate; protection could only be given to a very small squadron. Nor is there any room for commerce. Trading vessels must anchor almost in the fairway and landing facilities are about as bad as they can be.

But it must be remembered that Port Arthur is not intended by the Russians to be a commercial port at all, and criticisms levelled against them on the score of the ill-success of Port Arthur as a trading place are quite beside the mark. On the other hand, it is true that even as a place of arms it is far from satisfactory; but it would be a mistake to condemn it prematurely. The narrowness of the entrance has its good as well as its bad points, and it is far from being the case, as I have often seen it stated, that the sinking of a single ship would prevent all egress. The mouth of the harbour at Santiago is distinctly narrower, yet it is a matter of history how two ships were sunk there without obstructing the fair way. Inside the entrance there are two basins, the larger to the West and the smaller to the East. The larger being so shallow as only to accommodate torpedo boats, at present, is of very little use, and the Eastern basin, round which the dirty little town is huddled, is too small for the requirements of a large fleet. But it is the intention of the Russian Government to dredge the Western harbour and to build a residential and official quarter, the ground for which is already marked out, on the North side of the basin. When all that is done—and it will be a matter of years and of millions—Port Arthur will be an efficient as well as

an impregnable naval base. As it was, when I visited the place, it was a hive of activity. All along the sea front the forts were being strengthened; a steady din from morning to night came from the docks where torpedo boats were being built at rapid speed, while out in the open destroyers were running up and down at target practice. There was something of almost feverish expectancy in the air, and Russian officers were sure that decks would be cleared for action before many months were over. But soldiers and sailors are not always the best prophets in such matters. Certainly, Japan might just as well sail over and try to take Gibraltar or Cronstadt as attempt to reduce Port Arthur by assault. When we looked down from the high hill behind the harbour on the camps and barracks of something like an army corps, and turned our glasses along the sea front with their tiers of guns and listened to the rapid booming of the target practice out at sea, and the everlasting hammering of bolts into steel plates, we could not refrain from smiling at the idea, so prevalent about that time, that Russia had repented of her Manchurian schemes, and might even retire from Port Arthur.

A day spent at the port seemed to meet all the requirements of the case, especially as the hotel accommodation was of the worst, and suspicion immediately attached to stray Britishers who make a lengthened stay. I was accompanied as far as New-chwang by a friend who had met me at Cheefoo, and we both expected to find some difficulty in

travelling by rail, as the line was not yet open for regular traffic. We were advised not to ask for permission, and we found this an excellent plan; for no obstacle was placed in our way and we were not even charged a railway fare. Going to Dalny we even had a first-class carriage and the journey, of forty versts or so, did not occupy more than four hours, so that starting from Port Arthur about six o'clock in the evening, and allowing for a long stop at the junction where the Dalny branch leaves the main line from Port Arthur to New-chwang, we found ourselves in a new modern hotel at Dalny well before midnight.

On the southern side of the Bay of Talienwan lies the eastern terminus of the Trans-Siberian Railway. Its position at the end of that gigantic system would in itself lend interest to the new seaport, but Dalny, apart from its railway connection, is, even in its present incipient form, unique among all seaports of the world owing to the method of its birth and growth. Nature has done little to mark out the new terminus as a future metropolis. The southern end of the Liao-tung Peninsula is an outcrop of barren hills, rising here and there to the dignity of mountains, into which the Bay of Talienwan inserts itself for many miles without affording even a natural harbour. The shores of the bay are shallow and shelving, and because of its large expanse the deep water is exposed to the violence of any tempest. The land is almost treeless, and cultivated only in the valleys which lie hidden among the brown hills; the inhabitants grow a scanty crop of

giant millet, and manage to exist on the narrow margin between bare sufficiency and starvation. On such an unpromising site the Russian Government is building a large seaport town with ample docks and wharves, with a splendid sea frontage and convenient railway depôt, with wide streets and boulevards and shady gardens, with a commercial quarter that will eclipse every foreign settlement in the East and a residential district which might grace Manchester or Philadelphia. Of course, that is the plan. The Russian Government provides the docks, wharves, railway, and roads and trees. The houses are to be built by the population which is to be. But even in its present embryo state Dalny is one of the marvels of the present age. For surely nowhere else in the world has a Government built a city and port of such dimensions on absolutely barren soil, hundreds of miles from its own borders, without a penny's worth of trade already in existence to justify the expense. Dalny is, in fact, a "boom" town without any reason for a "boom," but different in this respect, that the mushroom growth is the work of a Government which is determined to build itself a metropolis complete in every detail.

There is something splendid and Oriental and almost barbaric in this wholesale creation. Another Power would have been content to build its railway and begin the harbour tentatively, and let trade do the rest. Not so Russia. Dalny is to spring into the world full grown and armed at every point, Minerva-like, from the brain of the Russian Jove. The harbour, which has to be constructed at enormous

expense, by filling and dredging the bay by the square mile, with moles and breakwaters and dry docks, is to be capable of accommodating the largest ships afloat alongside its wharves, and will eventually take in all the shipping which could be got together at any time in the East. The sea front and warehouses are to stand on ground which was in 1901 under the water even at low tide. The administrative portion of the town is already in existence. Then comes the commercial quarter, with wide macadamised streets, which are to-day being dug out of the hillside, and beyond that is the residential quarter, for which nearly two square miles of hill slope are being levelled off and intersected with magnificent roads. Back from the town runs a gully through the hills right to the open sea on the far side, which is to give space for a beautiful wooded drive of seven or eight miles, and will finally debouch on a sandy beach, where the future millionaires of Dalny will have their summer bungalows. Even this drive was already half completed, though there was hardly a soul in Dalny except the Russian officials and contractors. Along this valley trees are being planted and conserved, as elsewhere on the peninsula, in order that the barren hillsides may some day be pine-clad and the valleys green with oak and hickory. Nor have the Chinese been forgotten. Their city is apart, but well laid out, with a fine theatre where the labourer may spend some of his wages for the good of the place instead of hoarding them and sending them at length to his family in Shan-tung.

The whole elaborate and munificent scheme was to have been completed by the present year, 1903, and then nothing would be wanting but the population. Already in 1902 the port was partially open to trade, and the small breakwater afforded berths to several large ships at a time with a draft twenty or twenty-one feet, and building lots were auctioned realising a sum of 400,000 roubles at the first sale. The bigger moles and the Eastern breakwater were already begun in 1901 and are now practically finished, so that wharves are provided for the biggest ocean liners afloat. When we examined the plan of the harbour two years ago it seemed almost chimerical, so immense was the work mapped out for the contractors. To-day the plan is realised and only the shipping is wanting.

Unless you go to Dalny you can hardly believe in the creation of so large a town on a barren hillside with nothing but prospects to justify its existence. And when you have seen the place and had ocular evidence of the lavish outlay of the Government you can hardly help remarking that at least half the work might have been left to the future merchants of the place to accomplish. To cut a forty foot pleasure drive through the hills for seven or eight miles before the municipality is actually in existence seems to be almost an act of supererogation. On the other hand, Dalny is the terminus of the greatest railway in the world, and to spend a million roubles more or less in glorifying the terminus is no more to be taken into serious account than the cost of the gold leaf in the scroll of a battleship. For Dalny is

now the definite terminus. The alignment has been brought south from the Amur Province to Manchuria and altered again and again, but a little reflection shows that there is no other port available in China to the south, and even if the Russians had Corea to-morrow Dalny is much more favourably situated than Masampho.

Dalny is, after all, the best, if not the only, place which could have been selected. By spending money the harbour can be increased to any size, and the same might almost be said of the town. Those who love analogies see in Dalny the future New York of the East, and the exaggeration is not so great as to be grotesque. It is, or will be, the only harbour north of Hong Kong where large ocean-going steamers can comfortably discharge cargo, for the Woo-sung anchorage is often impracticable for lighters in rough weather and the German harbour at Tsing-tao has no such trade prospects as Dalny to induce ocean liners to call there. But apart from the Trans-Siberian Railway Dalny has great importance as the future port of Manchuria. Other foreigners, and especially Britishers in China, ridicule the idea of Dalny capturing the trade of New-chwang. But this is exactly what is going to happen. As far as imports are concerned, America and Japan are the two great Manchurian traders. At present American goods must be shipped to Shanghai, and there transhipped to New-chwang. The railway from Dalny to New-chwang is two hundred miles. Yet so high are the freights on the coast of China that it will be much cheaper to ship

direct to Dalny and carry by rail to New-chwang and Mukden than to ship to Shanghai and tranship to New-chwang. New-chwang can never be a port for ocean-going steamers, and it is closed for four months in the year. Dalny is open all the year round, and will take in all the liners that want to go there. The American trading company which is the medium for American trade in the East will ship its goods direct from the States of Talienwan Bay. For Japan Dalny is more conveniently situated than New-chwang, and very soon Dalny will have captured 50 per cent. of the Manchurian trade.

It is already the fashion to say that Dalny has been a failure, that even the Russian Government has recognised the fact and is reducing its expenditure on the place in consequence. Such a view, to say the least of it, is rather a hasty one. Dalny depends entirely upon the Manchurian railway system, which is hardly yet in a condition to handle the trade of the interior, nor will the trade of the country flourish until the Russian occupation is admitted and a stable government is erected. In reducing expenses, M. Witte is only following the dictates of ordinary common sense, which ought to have had more weight even before his visit. Never, perhaps, in the whole history of colonisation has so much money been so recklessly squandered as in Manchuria, and it was high time M. Witte knew what his subordinates were about. It is true, moreover, that since the Dalny scheme was started the Russians have realised not only the value of New-chwang, but the possibility of securing that

port for Russia, and it stands to reason that the Liao River will always be a great trade channel; but none of these things can prevent Dalny from being the ocean terminus of the Trans-Siberian Railway, and as such it attains to a world-wide importance, or will do so, in the near future. In the meantime, though laid out with due regard to all the most modern requirements, it cannot escape the defects of Russian management. When we visited the place there was an excellent hotel—excellent, that is to say, as far as construction and equipment went—which the Russian Government had built and furnished and let out to a Russian hotel-keeper at the low rent of £15 a month. The hotel-keeper was a man of the lowest type, who confined his attention to the drinking of vodka, with the result that his hotel, which might have fed and lodged any number of officials and contractors engaged on the extensive works of the new port, was in a state of disreputable dirt and almost deserted by the public. It was characteristic of Russian methods to erect such a building at great expense and then to hand it over to a confirmed inebriate. Much of the administration of the port will be perforce carried on in a similar fashion, just because that is typical of all Russian administration. Nevertheless, Dalny has a great future before it.

CHAPTER II

HOW RUSSIA OCCUPIED NEW-CHWANG

THE journey by rail from Dalny to New-chwang requires very little description and it has doubtless become a much more comfortable undertaking than it was in 1901. In those days the line was not officially open to traffic, though it was actually employed to carry both passengers and goods as far as the very limited amount of rolling-stock would allow. European passengers paid no fares at all, and the Chinese who patronised the railway in great numbers were taxed according to the needs of the train conductors, who pocketed the entire proceeds. In this way the Russian Government was losing a certain amount of revenue, but, on the other hand, preserved its right to prevent either passengers or freight travelling over the railway. As a matter of fact, no obstacle was put in the way of any one going as far north as Mukden, and the fact that we paid no fares should have obviated any tendency to criticise too severely the management of the line.

The first part of the railway winds its way through the hilly and rather barren Liao-tung Peninsula, while the second half runs over the level floor of the Liao Delta. As the coast is never far away, a number of streams have to be crossed; otherwise

there has been no engineering difficulty to overcome. The whole line as far as Ta-sia-chiao, where we branched off for New-chwang, was even then, in spite of the Boxer troubles, in good condition and well ballasted, and there was only one bridge which was not finished. In these circumstances the journey from Port Arthur or Dalny to New-chwang might have been accomplished in six hours without running over thirty miles an hour on an average; but the delays were such that just double that time had elapsed before we reached the Russian settlement on the Liao River. Long waits were apparently necessary at the two junctions where the Dalny and New-chwang branches leave the main line. But we had other and more irregular stops at every station where there was a refreshment-room. The stations were for the most part in process of construction, and the refreshment-room was in every case a deplorable hovel, where the engineers and other employees of the line were accustomed to wash down the most unappetising food with liberal drafts of vodka. Our engine-driver and stoker visited each one of these "buffets," as the Russians call them, their consumption of vodka increasing with the distance and with the heat of the sun. The result was that the engine was driven with such vigour about the middle of the day as to run over a Chinese coolie, an accident which kept us at a full stop for at least an hour; for unlike the modern motorist we pulled up immediately to see what could be done for the poor fellow. As it turned out the victim was afflicted with elephantiasis and had probably committed suicide.

At length, long after dark, we came into the Russian settlement called Yinkow, which is about three miles above the Treaty Port of New-chwang. Naturally no provision was made for the transportation of passengers from the railway terminus to the Treaty Port, and we should have been obliged to spend the night on the tracks had not we found a launch waiting to carry a Russian official and his family, and on that we managed to secure a passage.

New-chwang lies outside the track of the tourist, and is much less frequented by the ordinary resident in China than even the smaller Yangtze ports where the easy game laws, or want of game laws, in China is an attraction to sportsmen. It witnessed a few incidents in the Chino-Japanese war, but never attained to anything approaching notoriety until it became a bone of contention between Russia and the other interested Powers. It is not surprising, therefore, that some rather extraordinary statements have been made about the Port by writers who have never visited it, though the most astonishing of all was one perpetrated by Lord Charles Beresford, who complains in his work, entitled the "Break-up of China," that the Russians would not allow any steamers but their own to run up the Liao River to Kirin. The author had personally visited New-chwang and had gleaned a number of interesting statistics there, so it is rather curious that he should not have known that steam navigation is impossible on the Liao River beyond San-she-ho, and even as far as that it is only possible for steam launches;

DALNY—THE OFFICIAL QUARTER

and in any case nothing short of an airship could get to Kirin, which is nearly two hundred miles from the nearest point on the Liao River.

Generally speaking, however, it is known that New-chwang is the port *par excellence* of Manchuria because it stands at the mouth of the river which drains the most thickly populated part of that country and brings the agricultural products of Manchuria within easy reach of the rest of China and Japan. For that reason it has been considered by some people the height of folly on the part of Russia to attempt to make a new harbour for Southern Manchuria in the Bay of Ta-lien-wan, away at the end of a barren peninsula. Against those who have taken this point of view, it must be argued that however conveniently situated as the natural outlet for the Liao valley, New-chwang can never be a thoroughly satisfactory port, nor could it rise to the occasion as the ocean terminus of the Trans-Siberian Railway. The Liao, like most other rivers, has a bar, which excludes ships drawing more than 18 feet, that is to say, it keeps out all ocean liners; and even if this difficulty could be surmounted by dredging, which is extremely doubtful, there remains the fact that the river is completely closed to traffic by ice for four months in every year. Whatever therefore may be the present state of Dalny, it is perfectly certain that when Manchuria begins to develop the resources which she has within her under a settled form of government she will require the services of Dalny at least as much as of New-chwang. The time will come

beyond a doubt when foreign manufactures will be imported direct to Manchuria in ocean steamers, and such steamers can only go to Dalny; and if the bulk of the import trade comes to Dalny a certain portion of the export business will follow suit. There is no reason however, why the prosperity of Dalny should ruin New-chwang, since the most important item in the trade of the Treaty Port is the export of beans and bean-cakes which go to Southern China and Japan, and can therefore be carried in coasting steamers. Nor will the route of the imports be altered in a day. The Chinese merchants are all settled at New-chwang, and they are accustomed to get their goods by way of Shanghai. The great bulk of the business of the foreign houses is shipping, and nearly all the import trade is in the hands of Chinese merchants, who are always credited with extreme conservatism. In reality the Chinese merchant is not half so conservative in his ideas as many of his British colleagues. It seems to be forgotten very often that the Treaty Port of New-chwang, with its 60,000 inhabitants and thriving trade, is a mushroom growth of recent years, having sprung up since the time that Yingtse, which we call the Port of New-chwang, or New-chwang for short, was opened to foreign trade. If the Chinese trader finds it to his advantage to open a branch business at Dalny he will very soon do so, and he will have to do so in the immediate future unless he wants to be out-rivalled in business.

It is not my intention, however, to examine the trade prospects of New-chwang at the present

moment. We were much more interested on our arrival in the political situation, which, to say the least of it, was peculiar. Here was a Treaty Port being administered despotically by the one Treaty Power whose commercial interests in the place were non-existent. There were two Russian gunboats in the river and the Russian flag was flying—as it flies to-day—over the Imperial Chinese Custom House. No other flag was in evidence at all except over the various foreign consulates. The manner in which this situation was brought about provides an excellent example of the way in which the most trivial events may effect the destiny of empires.

When the Boxer movement was at its height, the disaffection spread rapidly in the province of Mukden, and overwhelmed the important town of Liao-Yang, which is only two days march from New-chwang. At the Treaty Port itself the danger was never so acute as it was at Tientsin or Peking, yet precautionary measures were necessary, and the British members of the community, as early as July 21, 1900, wrote to the Rear-Admiral in North China for a gunboat. What they wanted was protection against Russian invasion rather than assistance in dealing with the Boxers. Unfortunately Admiral Bruce, to whom the application was made, had no eye for the political situation. He offered a gunboat to take away refugees if necessary, but not to protect the Port. To this the British Consul replied that no one wanted to escape, but every one wanted to see Great Britain represented on the Liao River. In the meantime the Russians brought

matters to a crisis by attaching the stockade on July 26, and threatening bombardment of the town on July 28.

The Boxers immediately began to retaliate. The foreign part of the town was barricaded, and the foreigners, enrolled as volunteers, prepared for the defence of their quarter. On August 4 the Boxers attempted to pass the barricade, a general alarm was given, the Russian troops and the Boxers engaged outside the settlement, and two Russian gunboats bombarded the town. The Chinese never made any real resistance, and it is the general opinion in New-chwang that if matters had been left to the Taotai there never would have been any fighting at all. Certainly the Russians made the most of what resistance there was, and killed, as usual, a number of harmless Chinese. Then, as no other power was represented either in a military or naval capacity, the Russian flag was hoisted over the Custom House, and the town surrendered to the Russians. Next day Admiral Alexeieff arrived and appointed M. Ostroverkoff, the Russian Consul, Civil Administrator of the town. Since then New-chwang has been a Russian port.

H.M.S. *Pigmy* arrived after the event, and the British inhabitants drew the attention of its commander to the fact of the Russian occupation. But it was useless to complain. The Russians, according to their view of the matter, had saved the situation, and were not to be robbed of their just reward. If the British Government, with its comparatively large interests in New-chwang, would not even

send a gunboat to defend those interests, the British community must submit for a time to Russian protection. British subjects might maintain that the situation never really required saving, and that the action of the Russian naval commander was officious and unnecessary. But that could not so easily be proved in view of what took place at Tientsin and Peking, and at least the British Government might have afforded a single gunboat to be on the safe side.

I have never heard that Admiral Bruce was asked by the Government to explain his conduct on this occasion, and in any case no subsequent explanation on his part could alter the situation. It was simply bad luck that we happened to have a commanding officer in Northern China who, though an excellent and popular sailor, was so blind to the political conditions of the time that he frequently declared our interests in the whole of Northern China to be unworthy of discussion. This being his view, it is not surprising that he could find no gunboat for duty at New-chwang. Nor can it be argued in his favour that the ship could not be spared, for he did send the *Pigmy* after he had been appealed to a second time, but when it was too late. Possibly our Consular representative on the spot might have shown a bolder front to the Russians, though he can hardly be blamed when he was refused all kind of naval protection. It is interesting to notice how differently things turned out in the similar case of the Japanese occupation a few years before when we happened to be represented by an official who did regard it

as his duty to defend British interests at all costs.

When the Japanese were at New-chwang, Mr. Hosie, our Consul at the time, was dining one evening with the Director of Customs when he heard that the Japanese commander was about to take over control of the Customs. Mr Hosie immediately ordered the British flag to be hoisted over the Customs buildings, sent for his uniform, and when the Japanese officer arrived received him in the name of the Queen, and informed him that the Customs buildings being registered in the name of Sir Robert Hart were British property, and could not be handed over to any foreign Power. On that occasion the Japanese had undoubted rights on their side. They were actually at war with China, they were in occupation of her territory, and it was natural for them to seize the Customs. But Mr. Hosie, seeing the complications which might follow from the taking over of the Customs, which were pledged in part to British bondholders, and having this advantage on his side that the Customs buildings were registered as British property, though he had not even a volunteer behind him to back him up, considered it his duty immediately and without hesitation to defend British interests. His uniform was sufficient in itself to stay the Japanese, since they could not put him aside without insulting the British sovereign.

In July and August of 1900 our position was distinctly stronger. The Russians were not at war with China, they had no rights of conquest, they

were not even the sole protectors of the foreign settlement, since the whole male portion of the foreign community was converted for the moment into a volunteer force. And the same technical reasons held good in 1900, which enabled the British Consul to protect the Customs against the Japanese five years before. I am convinced, therefore, that if Mr. Hosie had been at New-chwang during the Boxer trouble the Russian flag would never have gone up over the Imperial Customs, and there would have been no Russian Administrator at any time in the Treaty Port. And yet, as I have explained, our Consular representative was not altogether to blame, was certainly not so much at fault as our Rear-Admiral commanding in Northern China, who was so incredibly wanting in foresight as to leave a port, which in character was almost as much a British port as Shanghai, entirely to the tender mercies of the Russians. Nor can we understand why an officer should be sent to command our fleet, and protect our interests in Northern China, who made no secret of the fact that he did not consider our interests in that part of the world worth protecting.

I have gone at some length into this question, which has never been given full consideration before, partly perhaps because it was forgotten at a time when larger issues were at stake; partly also because the actual facts of the case are not generally known. It may seem a small matter to some people whether the *Pigmy*, a very small gunboat, arrived at New-chwang a day or two sooner or a day or two later.

Unfortunately it is often just so small a matter that marks a new epoch in history. It was a toss-up whether the British or the Russian men-of-war left Port Arthur in 1898. If our ships had remained Port Arthur would not now have been a Russian naval base or Manchuria a Russian province. There was another occasion when the *Pigmy* did arrive in time. That was when it took Sir Walter Hillier to Shan-hai-kwan in the autumn of 1900, and Sir Walter Hillier occupied half a dozen immense forts with some eighteen men of the gallant *Pigmy*, just a few hours before the Russians, marching by land, arrived to take over the place. It had been arranged beforehand that the occupation should be international, and we, of course, carried out our part of the bargain; but it is nevertheless a fact that the Russians were marching there with all speed, and had privately arranged with the Chinese general for the evacuation of the place, and had they not been forestalled by the *Pigmy*, which, having no knowledge of the proposed evacuation, ran a great risk in approaching the forts, it is certain that Shan-hai-kwan would have been taken and held by the Russians alone, to our great inconvenience.

I am not prepared to assert that the ultimate course of events would have been altered by the flying of a British white ensign on the Liao on August 4, 1900. It is not difficult to show, as I shall do later on, that, commercially speaking, the Russians will always have New-chwang in their power whether they administer it or not. But about one thing there can be no doubt that had

Admiral Bruce sent the *Pigmy* to New-chwang when he was first approached on the subject the Russian flag would never have been hoisted in the Treaty Port at all. And it is important that we should remember this, because we have from time to time, ever since August of 1900, raised complaints about the Russian occupation of New-chwang, and we have apparently felt very aggrieved about it. In reality we have very little to complain about. It was through culpable carelessness on the part of our own officer in command that the Russians were able to seize New-chwang to begin with, and it was always open to us to repair that mistake by insisting upon a joint occupation immediately afterwards.

Consider what happened at Shanghai. The mercantile community desired military protection. As soon as we offered that protection—which we did with some diffidence—Germany and France and Japan intimated their intention of taking part in the defence of the settlement; yet at Shanghai our commercial interests were paramount. At New-chwang, where Russia had practically no commercial interests at all, and our merchants were deeply involved, we allow the Russian admiral to bombard the town on his own account, and accept the surrender and hoist his flag over the Customs buildings which are British property, without a word of protest.

It was not astonishing to find British merchants in New-chwang in a far from amiable frame of mind towards the British Government. They naturally questioned an outsider eagerly as to what was going

to be the outcome of events. For my own part, having just come from Port Arthur and Dalny and having seen what the effect of the Russian railway might become, I could not dream for a moment that the Russians would ever evacuate Manchuria, and seeing that they were making an excellent income for their officials out of the native customs at New-chwang, I could not see why they should retire from the position they had so easily acquired except under the strongest pressure.

And yet the minds of the British merchants were not at all made up on this subject, and I can only attribute their notions to the exceedingly misleading opinions invariably expressed by all British officials from the Secretary of State for Foreign Affairs down to the acting Consul at New-chwang. One and all they avowed their belief that Russia would soon evacuate Manchuria, and in June of 1901 it was roundly asserted that the Russians would leave New-chwang before the winter or they would be forced to go.

Now, either the British Government was blind to the facts of the situation, or our officials were anxious to "save face," knowing all the time what was inevitable. In either case, they were acting most unfairly to their fellow subjects in New-chwang who were led to believe that the British Government meant business, when they would have been much better off coming to a good understanding with the Russian Government. An attitude of hostility to Russian rule could hardly stand them in good stead, unless their own Government

was going to take active steps to get rid of that rule.

As far as business went the merchants had nothing much to complain of. The Russians being dependent for their income upon the native customs, which in turn are derived largely from the river traffic, were compelled to protect the bean boats coming down the Liao, and such was the congestion of produce up country that when the boats finally did come down to New-chwang trade became very brisk, a good revenue was collected, and even the Imperial Customs netted an unexpectedly large sum for the first six months of the year. The revenue of the Imperial Customs was not taken by the Russian Administration; that would have been rather too large an order. But it was, and still is, paid in to the Russo-Chinese Bank, and it is very unlikely that that excellent institution will ever disgorge a particle of the amount received if it can possibly be avoided. Out of the local taxation usually collected by the Chinese, and the coasting receipts which are collected by the officials of the Imperial Customs, and are now hypothecated to foreign bondholders, the Russian Administrator, M. Ostroverkhoff, and his assistants draw much larger salaries than they had ever received before from the Russian Government, and prepared incidentally to carry out some much needed public works. New-chwang for some unknown reason had never acquired a municipal government of its own. There never was a real foreign settlement there, as at Shanghai or Tientsin or Hankow, separate from the Chinese town and governed by its

own council. Consequently public works were conspicuous by their absence. The river was hardly bunded at all, the roads were shocking, and the lighting of the streets non-existent. If the municipal spirit had developed a little earlier, and there had been a real foreign settlement with its own governing body before the Boxer trouble, it is certain that the Russians could never have seized the reins of government. As it was, the movement set on foot in 1901 to establish a municipality was as belated as the arrival of the *Pigmy*, and the discussion could only have an academic interest.

The public works promised by the Administrator were not much in evidence when I visited New-chwang. An open space near the Customs House had been furnished with a band-stand and was dignified with the title of the public park. A doctor of the Scotch Presbyterian Mission, if I remember rightly, had been appointed sanitary officer, and some attention was paid to the cleaning of the town. But for all practical purposes it did not seem to matter very much whether New-chwang was administered by a Russian Consul or a Chinese Taotai. I called once on M. Ostroverkhoff, and found him a pleasant, sleepy sort of individual, who had started for Russia on leave when the Boxer trouble began, but came rapidly back to New-chwang to seize the opportunity of promotion. There was certainly no interference with trade, and, indeed, the Russians by escorting the bean boats down the river did the one thing which made trade possible. Meanwhile the British community went

its own way. There were dances and concerts, one I remember at which Mr. Alec Marsh sang delightfully, and the usual out-door amusements such as riding and tennis and shooting. We were already in midsummer, but the heat was far from being overpowering and the rains had not yet begun. Altogether, though political warfare might rage about the occupation of New-chwang, the actual scene of the conflict was as peaceful and pleasant a place as one need wish to see in a Chinese summer.

CHAPTER III

SOUTHERN MANCHURIA

THE question of travelling in Manchuria, North of New-chwang, was, to say the least of it, rather a delicate one. I happened to arrive at the Treaty Port at the very moment when Colonel Powell, who had been our representative upon Waldersee's staff, returned from an abortive attempt to reach Siberia by way of Kharbin and the Manchurian Railway. The conduct of the Russian authorities in dealing with him was quite inexplicable, except on the grounds that you must not apply the same rules to Russians as to other civilised peoples. The British colonel had started from New-chwang with the full permission and assistance of Admiral Alexeieff, who was apparently the representative of the Tsar's Government as far as Manchuria was concerned. When he reached Tieh-ling, which is a little north of Mukden, he was informed that he could not go a step farther without permission from the Governor-General of Eastern Siberia, who held jurisdiction of all territory North of Tieh-ling. This was a new dispensation, which must have been invented upon the spur of the moment, because no hint of it had been heard before, and as far as I could observe later on, there was no particular

boundary line at Tieh-ling. But railhead happened for the moment to be at that town, and if Colonel Powell had been allowed to proceed by road beyond that point he might possibly have gained a better knowledge of what was going on in the country than he could from a train window. Whatever may have been the reason, he was told that he could not go a yard farther without special permission from the Governor-General of Eastern Siberia, which permission apparently would take months to procure; so he had no option but to return the way he had come. While he was waiting in Tieh-ling for answers to his telegrams he was practically under arrest, and in a general way treated in a manner hardly befitting his rank and nationality. Technically speaking, he required nothing but a Chinese passport to travel in Manchuria, and no Russian permission was necessary except for the use of the railway. I do not know whether the British Government took any official notice of the conduct of the Russians in this matter, but as nothing more was heard about it, it may be presumed that we pocketed the insult. It is only fair to say that a German officer was also stopped about the same time, but I do not know whether the case was so flagrant, because in Colonel Powell's case he was travelling with the full cognisance and permission of Admiral Alexeieff, who, as far as any one could discover, had ample powers to give that permission.

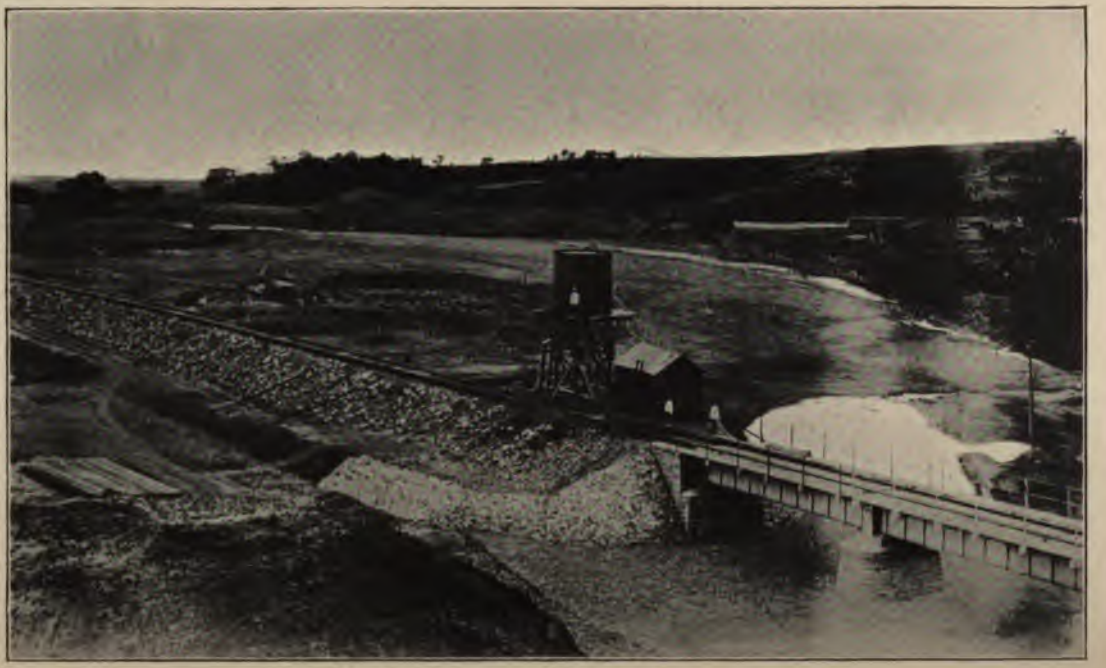
A newspaper correspondent had previously had a somewhat similar experience. He had started from Peking armed with the best of recommendations

from the Russian Minister, and was received with great cordiality by the Admiral at Port Arthur. No sort of obstacle was placed in the way of his travelling through the length and breadth of Manchuria, only it would be necessary to have the permits countersigned by the military commissioner, whoever he might be, at Mukden. If he would go on to Mukden he would find everything waiting for him, and he would have no further difficulty. The correspondent followed out his instructions, took the train for Mukden, and, arriving there after a somewhat protracted journey, found all his papers in order awaiting him at the bank. But, unfortunately, he had been so long on the road that the permits were just out of date by the time he got them and no longer available.

"Of course," said the Russian official who told me the story, "we never had the slightest intention of allowing him to travel, and that was the easiest way of refusing him."

For Russian authorities perhaps it was the easiest way. But no one appreciates a practical joke very much when it is played by the powers that be, who offer no scope for retaliation.

With such examples ahead of me, I knew very well that my Shanghai passport, though stamped with the seal of the Russian Consul, would stand me in no stead. Nor did I expect much assistance from the authorities on the spot. As a matter of form I approached M. Ostroverkhoff, who told me that I would have to get permission first from Admiral Alexeieff, who was away cruising somewhere; and



FRONTIER GUARD ON THE MANCHURIAN RAILWAY

At this point the Manchurian Railway enters Liao-Yang Peninsula

secondly, from the Governor-General of Eastern Siberia, who must be communicated with by letter, and might be expected to answer the communication any time within two months. He did not seriously advise my making so useless an application, but suggested instead that I might join one of the bank officials who was going North in the course of the next few days and might take me with him. I thanked him for the suggestion, which I determined to act upon, all the more so because I had already received an invitation from the official in question. In this way I might get as far as Kirin, and possibly Kharbin, beyond which I had no particular desire to go. The worst that could happen to me was that I should be stopped and sent back to the Port. My companion could hardly suffer, as he had no instructions whatsoever debarring him from taking a guest with him to Kirin, and beyond that he accepted no responsibility on my behalf. In answer to any awkward questions I could always plead ignorance of the Russian language, and such questions were not likely to be asked as long as I was in such good company. Moreover, the material comforts of travel were greatly increased by the fact that one passenger car and two covered waggons were put at the disposal of my friend, who had been through the Boxer trouble of the previous year, and was now carrying a new set of penates with him to his ruined house in the interior. In our passenger car (fourth class) we were able to camp out almost luxuriously during a journey of many days; while in the waggons we carried a complete set of household furniture, pro-

visions for a year, six servants, one groom, and an English cob.

The first stage of our journey was not very long. It brought us to Ta-sia-chiao, the junction on the main line, about fourteen miles from New-chwang, and there our troubles began. The rivers were in flood, the temporary bridges were under water, and we were condemned to wait twenty-four hours in a siding until the Port Arthur train at length arrived just a day behind time. When we finally started North we found that the line was practically unballasted beyond Ta-sia-chiao, and the bridges were all temporary and of the most flimsy structure. The loose sleepers squelched in the mud as the train passed over them, and the bridges, mere piles of rails or sleepers with naked rails for spans, groaned under our weight, while in some cases the rails themselves were under water. Over such a line we travelled by slow stages—not too slow, however, for our nerves—to Liao-yang, covering the distance of forty odd miles in a night and a day. There the station-master informed us that a large bridge was down between Liao-yang and Mukden, and that all further progress was stopped for at least five days. He was by no means an obliging official, for he did his best to send us back to Port Arthur in the middle of the night, a project which was only frustrated by my friend, who was providentially awakened by the uncoupling of the carriages. Out of revenge the station-master informed us next morning that we should be detained, as far as he could see, for seven days in Liao-yang. In the circumstances we deemed

it wiser to leave the swamp, which then did duty as a railway station, and we went to spend a few days with Mr. Douglas, of the Presbyterian mission, at his house inside the walls.

Liao-yang is not more interesting in itself than any other walled city of Northern China. The streets are, however, rather wider and the smells become less obnoxious as one goes farther north. The Russians, who had then a garrison in the place of over two thousand men, had improved its aspect considerably in the matter of cleanliness, and had enforced the lighting of the streets at night. We went over the ruins of what was once a delightful missionary quarter, and wondered, as one often wonders in China, how the missionaries can have the heart to begin again so often the work which is constantly being destroyed, both literally and metaphorically, to its foundations. Mr. Douglas pointed out to us, however, that the recent Boxer outbreak had its redeeming features. The Presbyterian mission has had one of its main branches at Liao-yang for ten years, and in the whole district, which is far larger than Yorkshire, there were at the time of the rising eleven hundred genuine converts, not, perhaps, a very large number, but one which the chief pastor appeared to regard with almost pathetic hopefulness. Of these he believed that not more than two hundred had abandoned the new faith under the pressure of misfortune; and this, at least, is a comforting fact when it is considered that Liao-yang was the very centre of Boxerdom in Manchuria, and that there is not one of those Christian converts who had not

risked his property and his life during the Boxer rising.

It is so common to sneer at the work of the missionaries in China that the world as a whole is likely to lose sight of what should be an intensely interesting chapter in the history of Christianity. Whatever may be the final issue of the long fight which is being waged by the ministers of the various churches in China, no one can help admitting that the events of the year 1900 testified strongly to the real hold which Christianity had taken on its adherents, nor is it at all proved that the Chinese character is not genuinely susceptible to its doctrines. In connection with this subject a story which I was told by an eye witness among the Russian engineers on the railway is worth repeating. A Cossack, in a fit of drunkenness, had shot a Chinaman, and it was necessary to bring several of the men to the bedside of the dying victim for purposes of identification. The Chinaman, however, refused absolutely to single out the guilty man, saying: "Why should he be killed, since I must die in any case?" Then they explained to him that the man would only be severely punished, to which the Chinaman responded that since he forgave the culprit there was no reason why he should suffer. Then the theory of punishment was induced as an argument—the Cossack must be punished in order that he might not repeat the offence. "But," said the Chinaman, "he will never do it again when he knows that I forgive him." And there the matter ended.

It may not be out of place to record here my own

experience of the missionary movement in China. In the space of fourteen months I travelled over a large part of Northern and Central China and met a correspondingly large number of missionaries —English, American, and Roman Catholic—and I can truly say that I never knew one who was not sincerely and effectively working for the good of China. There are far too many warring sects in the Christian world, and these sects are represented in China as elsewhere, but I never was able to discover that denominational jealousy was interfering with the work of education and enlightenment carried on by individual missions. The one fair charge against the missionary movement in China is that attempts have been made to gain a political footing under the cloak of evangelism. This is a charge that can never be brought home to the Protestant organisations of England or America. On the contrary, the two Anglo-Saxon Governments have availed themselves far too little of the splendid sources of information furnished by the Protestant missions in China. It is not too much to say that the siege of the Peking Legations might never have taken place if the warnings of the missionaries had been listened to.

In Manchuria I was particularly struck with the sincerity and force of the Irish and Scotch members of the Presbyterian Mission. It seemed to me that they went about their work in a more practical way than any of their colleagues in other parts of China. They paid more attention to education and hygiene than to the teaching of religious dogma,

and their hospitals, for the most part destroyed by the Boxers, had been of greatest service in healing sickness and saving life. They were, moreover, the only foreigners in Manchuria, Japanese agents always excepted, who really knew the people, spoke their language, and appreciated their habits of thought. The result was that the Russians, who particularly dislike making use of British subjects in the East, could do nothing in Manchuria without the help of our missionaries. To begin with, no Russian that I came across could talk Chinese with any fluency, and the native Chinese interpreters were not the sort of men who could be employed at official meetings. So it came about that for interviews of importance between Russian officers and Chinese magistrates the aid of our missionaries had to be invoked, and the English language was the common factor in the conversation. The rather curious result of this arrangement was that the Chinese in Manchuria used to look upon English as the "guanhwa" or polite language of the foreign devil whereas Russian was merely the "coolie talk."

In this way the Presbyterian missionaries were able to act on many occasions as interceders on behalf of the Chinese. It is an old story how Dr. Westwater saved Liao-yang, but one which the Chinese of that city will not readily forget. When the Russian Expedition was marching to Mukden after the Boxer rising, it was necessary, of course, to occupy the important town of Liao-yang on the way No opposition was offered outside the town, and the general was about to enter the gates with

his staff when the Chinese inside Liao-yang opened fire. The staff immediately retired, the troops were formed for attack, and the artillery was about to begin the bombardment, when Dr. Westwater, who had formerly been resident in Liao-yang and was accompanying the Russian Expedition as interpreter and adviser, volunteered to enter the town and secure the surrender without loss of life. He made a strong stipulation at the same time that there should be no looting or murdering on the part of the Russian troops. The general agreed, and Dr. Westwater rode through the gates alone and unarmed. For some time he traversed empty streets, the Chinese being for the most part lying in wait under cover, until at length he came upon a native convert, who knew him and conducted him to the place where the leaders of the merchant guilds were holding a conference. There the missionary addressed the meeting, demonstrated the absurdity of resistance, and staked his honour upon the safety of life and property if they would surrender the town. The Chinese were soon won over, the town was occupied by the Russians, and the Russian general amply fulfilled his part of the bargain. There was no looting or killing, and for many days every patrol had to be accompanied by a commissioned officer, whose duty it was to see that no breach of order was committed. Thus Liao-yang was preserved from the terrible fate which befel so many towns and villages at the hands of the Russian troops by the bravery and readiness of the missionary.

In other ways also these men who are in close contact with the natives are in a position to gain a knowledge of the undercurrent of affairs in China which the invader could never obtain. Mr. Douglas, when we were at Liao-yang, had much valuable information regarding a new secret society, which in the last few months had grown to great proportions in Southern Manchuria. Nominally the society, called the Tsai-li-hwei, was a Buddhist organisation of a harmless character, its chief avowed object being the worship of Kwang Yin, a female incarnation of Buddha, whose temple is the one thing picturesque in Liao-yang. On being admitted to this society the neophyte was given five words for the good of his soul, which he must repeat to nobody, not even father, or mother, or grandfather, or grandmother. He did not always comply with the injunction, and there was no difficulty in discovering that the five words were the equivalent of "Kwang-yin Great Goddess of Mercy"—innocent words enough. But there was an inner ring in the society to which only proved men were admitted, and they too had five words to remember, which, being translated, ran something like this: "Store grain, collect forage; revolt." In other words, the society was simply a revolutionary organisation of the approved type, the leaders of which have, possibly, genuine propaganda of their own, but the rank and file of which, consisting of the disorderly elements ever present in China, are bent solely on fire and pillage.

Mr. Douglas had no doubt that the movement, if

such it could be called, was widespread, but was never likely to come to a head as long as the Russian troops were present in great force. It served, however, as an indication of that restless spirit prevalent everywhere in China, which is dangerous only when the outword semblance of foreign power is removed.

Liao-yang itself seemed singularly peaceful; perhaps because the Chinese had become so accustomed to foreign faces that they hardly used to take the trouble to look up at the foreigner as he passed along the street, which in itself was a great comfort to the visitor. In the afternoon after our arrival we went over to see a missionary doctor who had met with an accident on the railway, and was lying at the house of the chief Russian engineer. After a long day's work at the Russian coal mines near Yen-tai he was returning after dark by trolley, in haste to get back to Liao-yang where he had some critical cases. The Russian railway employee had used the money, which should have have been spent on his lamp, in buying vodka, and as they came down an incline at a good pace they ran full tilt into another trolley loaded with rails at the bottom, which was also innocent of lights. The doctor had his thigh cruelly lacerated, being spitted, as it were, on the end of a rail, yet, after travelling the remaining twenty versts on the trolley side by side with a wounded Chinaman, he was still able to sew up and dress his own wound when he reached the engineer's house. Needless to say the Russians could not do enough for him, for they have had practical experience in his case, as in that of Dr.

Westwater, of the value of missionary doctors, without whose assistance they would have been in rather a sorry plight. The engineer, indeed, who was attending the wounded doctor when we paid our visit, went so far as to congratulate me upon being a Scotsman, because Scotland had produced two men whom he admired above all others, Sir Walter Scott and Dr. Westwater.

While we were discussing the accident a train passed the house on its way north, and we found that, trusting too much to the word of the station-master, we had been left behind. Fortunately our waggons had remained with us, so that we only suffered twelve hours' unnecessary delay—a small matter on the Chinese Eastern Railway. It was, however, typical of the Russian station-master that at the very moment when he was telling us that we could not possibly proceed for seven days, he had actually a telegram in his office informing him that the big wash-out had been repaired and that the way to Mukden was clear. He had no possible object in misleading us; he merely had the usual Muscovite contempt for figures. Later on a Russian paymaster of high rank (a colonel, I think) informed us solemnly that the Trans-Siberian Railway first and last would cost at least two hundred million roubles (£20,000,000)! And it was a station-master, farther up the line, who advised us to go no further by rail as there was a gradient of twenty-five in a hundred not far from his station which was very dangerous. Dangerous seemed hardly the word for it, so we took to carts at once.

A description of the railway in its half-finished state must be left to the next chapter. We actually reached the station for Mukden, which is twenty versts from the line, on the morning of the third day from Yin-kow, and proceeding thence with great dispatch we were in Tieh-ling on the same evening, having covered a distance approximately equivalent to that between London and Crewe, in the respectable time of seventy-two hours. Here, as far as I was concerned, came the critical point of my journey, for it was here that my predecessors had been turned back; but no questions being asked we dined at the newly-opened agency of the Russo-Chinese Bank, and passed into the jurisdiction of the Governor-General of Eastern Siberia next morning by the simple process of taking French leave.

CHAPTER IV

THE MANCHURIAN RAILWAY

From Tieh-ling northward we found the railway in a more and more unfinished state, so that progress was uncertain and occasionally dangerous. The line from the New-chwang junction was still unballasted, but up to Tieh-ling traffic had more or less settled the embankments to a normal consistency. To the north of that town, the newly-laid sleepers and rails sank almost visibly into the soft embankments under the weight of a single locomotive, and the whole line looked as if it were worked upon the switchback principle. Beyond Kai-yuan, a large town thirty versts north of Tieh-ling, no passengers, I believe, had ever travelled before we made our appearance; in fact, the rails coming south from Kharbin and north from Port Arthur were only joined at a point thirty versts south of Kuan-cheng-tze on the day on which we left Tieh-ling, though according to Russian semi-official reports there had been through communication between Kharbin and Port Arthur at least three months before. Even as it was, to lay down rails and to run trains over them were two entirely different matters. There was, indeed, no engine at Kai-yuan to take us on, but that difficulty was overcome by

the arrival of the engineer of the section, whose good offices secured us a locomotive as far as his stopping-place at Hsi-ping-kai, ninety versts to the north, where we dined with him and spent the night. It was a fortunate chance for me in more ways than one, as I met this same engineer on my return journey and escaped arrest mainly through his good offices.

By this time our goal, which, for the present, was Kuan-cheng-tze, seemed to be really in sight, for we only had a hundred and twenty versts to go and we had kept our engine. But our difficulties were not yet over. Starting off at about five o'clock in the morning with only our private car and waggons and one extra van full of nondescript employees of the railway who had begged the use of our engine, we were rudely disturbed in our beds by a terrific bumping and jolting, and woke to find our car not only derailed but hanging on the very edge of the embankment. The engine shrieked violently, coolies arrived on the scene, and in two hours the train was put to rights and started hopefully once more. In five minutes our car was derailed again, and this time, being on the watch for an accident, most of us were out and rolling down the embankment before the engine pulled up. Fortunately our car had held to its couplings this time, otherwise it must have toppled over the edge and crushed a few of the passengers as they rolled down the incline. As it was, the axles and woodwork were so much damaged that we were forced to take it slowly back to the station from which we had

started in the morning, and leave it there together with our Russian friends, who declined to use the railway any longer. Thereafter we travelled with less state but greater security, beside the cob and our Chinese servants, in one of our luggage waggons, which being of heavier build were not so likely to jump the rails.

Sixty versts further on we came to Kun-da-lin, where the station-master took away our engine and told us that the line was very dangerous ahead, with one gradient of twenty-five in a hundred. Not wishing to descend at once into the bowels of the earth, we abandoned the heavy baggage and took what we could on four carts and travelled for a day over abominable roads to the next station, where the engineer of the section entertained us with true Russian hospitality, and took us into Kuan-cheng-tze on his construction train next morning, our carts following more slowly by road. From the station we had to walk three miles in the hot sun to the city, having been reduced by this time to the condition of tramps, without luggage or visible means of subsistence.

A week or two later I travelled over the portion of the line between Kharbin and Kuan-cheng-tze on my return journey, so that I saw the whole of the Kharbin-Port Arthur branch, the most important section of the Manchurian Railway, at a time when foreigners were not supposed to travel in the country at all. It may be as well, therefore, at this stage to devote a few pages to an account of the railway which has played so

important a part in the recent history of Northern China.

It is interesting to look back upon that journey which we undertook as recently as July 1901, and contrast the condition of the line at that time with the entirely altered state of things in 1903. We were then just eight and a half days in covering the distance between New-chwang and Kuan-cheng-tze. Not a single bridge or culvert was finished on that part of the road, so that every creek and river had to be crossed by a temporary structure, entailing a deviation from the true line in each case. We were unfortunate enough to start for the North just after the heavy rains had begun, when not only were many of the temporary bridges entirely washed away in front of us, but the embankment being made of the loess soil of Northern China was everywhere in a soft and unstable condition. I do not think that our engineers would ever have allowed the temporary work to be so lightly constructed. Even under the stress of dire military need our engineers in South Africa never allowed trains to pass over such flimsy structures as those which then spanned the rivers in Manchuria. But, after all, that is a matter which concerns only the engineers and employees of the railway, and has nothing to do with the permanent value of the line. The Russians are more careless of human life than we are, and if an outsider likes to travel on a railway which is in process of construction, paying not a farthing for the privilege, he must be prepared to take the consequences. Only one was rather sorry for the

Chinese labourers who were killed in considerable numbers by the overturning of waggons. I remember one train which arrived a little later on at the Sungari bridge after having had no less than eight derailments between Mukden and its destination. It is manifestly absurd to criticise a railway in such a state, and yet that is what was constantly done with regard to the Siberian and Manchurian railways, though the building of the latter has been, as I shall show, a wonderful achievement in the way of railway building.

It must be remembered, too, that the railway had a strategic as well as a commercial value, and that in the year 1901 it was most important to get the rails actually laid between Kharbin and Port Arthur at all costs. During that year Russia was to a certain extent defying the rest of the world, and especially Japan, by her dealings with China in regard to Manchuria. England, the most interested party as far as the trade of Manchuria went, was too much occupied with the South African War to take a keen interest in the future of the three eastern provinces. But Japan knew very well that every day was strengthening the position of Russia, and that Manchuria was lost to her as a field of exploitation if she did not strike an immediate blow. In such circumstances it was absolutely essential for Russia to secure her communications by land with Port Arthur. Experience in South Africa has proved to us that even a single line of railway subject to constant interruption and local destruction is infinitely better than no railway at

THE AUTHOR'S TRAIN DERAILED

all. And so, when the rails were actually joined just south of Kuan-cheng-tze on July 18, 1901, the Russians advanced one great step in their peaceful campaign against Japan. How vulnerable their position was in Manchuria during the preceding twelve months while the railway was advancing could only be appreciated by a journey over the line in its then incomplete condition; and one cannot help admiring the boldness of Russia in defying the world, when a sudden war might have found her in an untenable position, and might have thrown her back in her Eastern policy at least half a century. On the other hand, one is more and more convinced that what used to be talked about a short time ago as the inevitable war between Russia and Japan is destined to end in smoke, since the Japanese have already lost their great opportunity.

To return, however, to the railway; it was evident to an impartial observer even two years ago that the line, when ballasted and completed, could hardly fail to be a successful undertaking. There are very few natural difficulties to overcome. The rivers are awkward because they have soft bottoms, and it has been necessary to bridge them by means of sinking caissons, a tedious and expensive business; but, with the exception of the Sungari, which has to be crossed twice, there are no very great rivers to negotiate. As far as Tieh-ling the railway runs almost due north along the level basin of the Liao River. From Tieh-ling to Kuan-cheng-tze it proceeds in the same direction over the hardly perceptible swell in the prairie which forms the watershed

between the Liao and the Sungari. From Kuan-cheng-tze to Kharbin the country sinks to the level again, and the railway has to cross the Sungari by a big bridge, about ninety versts south of the junction of the Vladivostok and Port Arthur lines.

Between Kharbin and Kaidolovo the Khingan range of mountains has to be tunneled, and there is a similar obstacle between Kharbin and Vladivostok; but these ranges call for no extraordinary exercise of engineering skill.

Throughout the Manchurian railway the Russians have wisely put down heavy rails—heavy, that is to say, in comparison with those of the Siberian line. The rails for Manchuria as well as the engines come from the United States, and the former weigh 65 lb. per yard as compared with the 48 lb. rails of the Siberian road; so that with level running and good rails a higher rate of speed can be obtained on the Manchurian railway than on the greater portion of the Siberian line. In fact, the chief engineer expected to accomplish the six hundred and fifty miles between Kharbin and Dalny in fifteen hours with the line in proper working condition. This, like most Russian estimates, may be a little too sanguine, but the distance can easily be covered in twenty-four hours, allowing liberally for stoppages.

At the time I was in Manchuria there were still 170 versts to be laid on the Kaidolovo-Kharbin section, and the long tunnel through the Khingan mountains had not even been begun; nevertheless, the work was being pushed forward at so rapid a rate that I felt there was no reason to doubt the promises

of the Russian engineers, even when those promises seemed at first sight rather extravagant. I could hardly believe, for example, that the two Sungari bridges, then in a very embryo state, would be finished, as they said they would be, early in 1902; yet the feat was actually accomplished. Indeed, the Russians have been wonderfully faithful to their undertakings in this respect. Looking over the columns of the *Morning Post*, I find that, writing on the subject from Kirin in 1901, I advised travellers to wait until the spring of 1903 before attempting the Manchurian route. By that time, unless unforeseen accidents occurred, the line would be in good working order, and the journey from London to China would be reduced by more than a third in point of time. Even by 1902, I added, travellers would be using the Manchurian line in preference to the longer and more uncertain journey by Vladivostok and the Amur; and before the summer a record journey would certainly be made between Shanghai and London. But those who looked for comfort and who really desired to gain considerably in point of time must wait until 1903. This view was considered absurdly optimistic by all of the foreign community with whom I discussed the matter in China—Russians, of course, excepted. But it has been exactly borne out by facts. Last year (1902) it was quite possible to go from New-chwang to St. Petersburg in seventeen days, but delays were still frequent. This year, however, the line has been so improved and the service is so good that one can go from Dalny to St. Petersburg in thirteen and

a half days with the greatest comfort by one of the most luxurious trains in the world; and when the break of journey at Lake Baikal is done away with and the Siberian railway is brought up to the standard of the Manchurian branch, the journey will be considerably shortened. As it is, London has been brought within eighteen days of Shanghai in actual fact; and there is no reason to suppose that this figure will not be reduced to fifteen in the course of the next two or three years. The mails, going as quickly as possible by the P. & O. steamers, take thirty-one days, and the Canadian Pacific route can never do much better than that. Already, therefore, the Trans-Siberian railway with its Manchurian branch has brought about a great and vital change in our intercourse with the Far East. Nor is there only a saving in time—the passenger fare has been reduced enormously. It is difficult to say how much it costs to accomplish a journey which may be broken at various points and may be made more or less expensive according to the amount of luggage taken. But, roughly speaking, one can go from London to Shanghai *viâ* Siberia with a reasonable amount of luggage and an ample allowance for food and drink for fifty pounds. By P. & O. or German mail the journey, including tips (a very considerable item) and other expenses on board cannot be accomplished for less than double that sum. There are, of course, cheaper steamers, but equally one can go by rail for a great deal less by travelling second class. It is only fair to add, also, that by far the most expensive part of the overland

route is the journey from London to St. Petersburg.

Commercially speaking, the Manchurian branch is bound to be a success. With the exception of Mr. Hosie's work on Manchuria, no traveller's book that I have read does justice to the teeming agricultural wealth of this vast country, partly because journeys in the interior are not generally undertaken when the crops are standing, and partly because, heretofore, foreigners have followed the old road from Mukden to Kirin, which runs along the foothills on the edge only of that great prairie-like belt which is made up of the lower Liao basin and the middle portion of the Sungari Valley, with the rich uplands intervening. In this belt there is a compact space, nearly as large as the whole of England, of the finest agricultural land in the world, cultivated by thrifty farmers who have emigrated in bygone years from Chih-li and Shan-tung. Here are beans of all kinds, wheat, kow-liang, Indian corn, indigo, hemp, and all sorts of vegetables, in greater profusion probably than anywhere else in the two hemispheres within equal limits. But the wealth of the farmer has yet to be increased by the cultivation of the farther valleys, the introduction of scientific fruit-growing, and the raising of sheep and cattle, for which there is abundant pasture throughout the yet virgin hills to the east of the railway. To find an agricultural population already established and so prosperous is like discovering a gold mine for railway builders. From the very moment the line was open to traffic it was bound to pay, and

might even have been paying its expenses in the semi-construction period under reasonably good management.

Owing to the great riches of the country it was possible to draw a straight line through Manchuria without going to the one side or the other to seek markets. It should be stated by way of parenthesis that, technically speaking, a long section of the line north of Kai-yuan is in Mongolia. But as this territory, of which Kuan-cheng-tze is the chief town, is under the regular Chinese administration, it is, to all intents and purposes, part of what we call Manchuria. By a clause in the original agreement the railway could not pass within twenty versts of the principal towns, and for that reason the line took a bend round Mukden in order to comply with the clause. It was quite evident, however, that the Russians never seriously intended to abide by the agreement, as no preparations had been made to throw a permanent bridge over the River Hun, which had to be crossed in the course of the deviation, and now the alignment has been altered so as to bring the railway close to Mukden. Liao-yang and Tieh-ling are both close to the line, while Kai-yuan and Kuan-cheng-tze are both a few versts away. The production of beans and grain is so extensive throughout the whole fertile belt that, without going out of its way, the new railway will always have its rolling-stock employed to the utmost. Even at Tieh-ling, where the Liao River is only two miles or less from the walls of the city, the freights were already in 1901 lower by rail than

by river, and this in spite of the fact that large "squeezes" had to be paid to the Russian railway employees, and the Chinese officials were allowed to levy a tax at the starting-point upon all goods travelling by rail. It may be easily imagined, therefore, that when rolling-stock becomes abundant, and freights are reduced to a normal level, and a respectable staff is employed upon the railway, the Chinese will generally find it more profitable to send their goods by rail than by river. It was wonderful to see how quickly the natives adapted themselves to new methods. Though the rails had hardly been pegged down to the sleepers, we found tons of beans and grain waiting at the sidings for transportation at every station from Liao-yang to Kai-yuan. At Tieh-ling, where the river is a direct competitor, there were at least three hundred car-loads of beans and peas waiting to go down by rail. It must be remembered that at best the river is only available for those farmers and merchants who live near its banks; otherwise the cost of carts to bring the produce to the river, especially in the rainy season and the autumn, when the crops are being moved, is so great that the difficulties of transport prevent more than a mere fraction of the total yield reaching the seaboard. The railway will, therefore, being both cheaper and much more expeditious, supplement the river in such a fashion as to leave the old waterway hopelessly in the rear; and it is safe to prophesy that in a few years branch lines will be required to act as feeders to the main line all over Manchuria.

A simple example may be given to show the great advantage of railway transport in this country. In order to get from Kuan-cheng-tze to Kirin (a distance of eighty miles or so), we had to hire four carts to carry ourselves and our effects. The journey took three days and cost eighty roubles (£8) for cart hire alone. When the branch railway to Kirin is finished the same journey would take three hours, and the whole charge for ourselves and baggage could not exceed ten roubles (£1).

It will be a great pity, however, if the Russian Government does not take steps to check the cupidity of its employees, who bid fair at present to inaugurate a system of "squeeze" worse than anything so far imagined by the Chinese themselves. A merchant who wishes to send his goods by rail must first pay for his cars. He must then bribe an official with a hundred roubles—there is almost a fixed tariff—to produce the cars. Next, another official must have fifty roubles or the cars cannot start, and so it goes down the line from the stationmaster to the navvy who couples the cars, until the wretched merchant has to disburse two hundred roubles (£20) in order to secure the transport for which he had already paid the legal fare. His difficulties have only then just begun, for at each intervening station similar gratuities must be forthcoming, or his cars will be shunted into a siding on one pretext or another and left there until they are ransomed. The Chinese merchants, accustomed to pay "squeezes," acquiesce in this system with fairly good grace; nevertheless, they ought to be

protected by Government, and it is not likely that foreigners will so easily tolerate this sort of treatment.

As regards the construction of the line, there can be no question about the greatness of the undertaking or the rapidity of the execution. The agreement between Russia and China for the building of the Trans-Manchurian line was signed in September 1896. The first sod was cut at the end of August 1897. The whole line had to be completed in six years from the commencement of the enterprise. But after the work of construction had begun Russia occupied Port Arthur, and it was necessary to add a branch line of some six hundred and fifty miles to the original scheme. In spite of this addition, and in spite also of the Boxer Rising, which destroyed a large portion of the permanent way, and in the face of a most disastrous flood in the summer of 1901, which swept away a number of half-finished culverts and bridges, to say nothing of many miles of earthworks, the rails were actually laid by the end of 1901; that is to say, two years before the stipulated time had expired. If, however, a stricter interpretation must be put upon the time clause in the agreement, it is only necessary to point out that the whole railway was in perfect working order in the spring of 1903; that is to say, five and a half years from the time of starting. The actual length of what is called the Chinese Eastern railway is about sixteen hundred miles, but the whole system, which includes the portions of the Kaidolovo-Vladivostok line in Russian

territory, which was substituted for the projected Amur railway, has a length of about two thousand miles.

I do not believe there is any other instance on record of the creation of a railway system in an entirely new country of such a length in such a time; and, when the difficulties in the way of construction are considered, the execution of the great enterprise seems to belong properly to the region of fairy tales. Not only was the work of construction upset by the Boxer scourge and by one of the greatest floods in the history of Manchuria, but the climate has at all times been a constant difficulty. It is very hard to carry out a great work of this sort in a country where the thermometer drops a long way below zero for four months in the year, and where the rains in summer descend with tropical violence and volume. I doubt, indeed, whether any other country but Russia could have accomplished such a task. The enormous expense would have deterred any Government which had to submit the estimates to a popular assembly. The cost, first and last, has been fabulous, amounting to close upon £30,000 per mile, or just three times what we should regard as a maximum figure for such a railway.

It need hardly be said that embezzlement and maladministration are largely to blame for this enormous outlay. The usual stories regarding engineers and contractors are rife in Manchuria as they are in Siberia, and it is suggested that the Boxer outbreak came as a salvation to many engineers by "destroy-

ing" a great many bridges which had been paid for but existed only on paper. But if these stories are true they concern only the engineers and their Government, and in no way affect the value of the railway to the world at large. About that there can be no doubt. The Manchurian railway is now a great accomplished fact, which in a few years will double and treble the export trade of the country, and will open up vast possibilities of manufacturing enterprise on an absolutely virgin soil.

One point must especially be emphasised. Judging by present results, the railway will in the future carry the larger share of the produce of the country. If the Russians are compelled to give up the treaty port, and on that account feel inclined to help Dalny at the expense of New-chwang, it is quite possible for them to give advantageous rates to Dalny, and to put on such prohibitive rates between Ta-sia-chiao and New-chwang that merchants would be compelled to export their produce by way of Dalny. This was not the opinion of British residents in New-chwang when I visited the port, as they trusted to the conservative spirit of the Chinese merchants and to the old fetish regarding the superiority of water transport over rail. They appeared to forget the numerous instances in which Chinese merchants elsewhere have adapted themselves to improved methods, and they overlook the fact that, though water transport is undoubtedly cheaper than rail, other things being equal, a cheaply worked railway will easily outbid Chinese methods of water transport. Nor will the Liao River be in position

to compete successfully with the railway unless the Russians keep it patrolled and free from the attacks of brigands.

In a word, though the railway may not interfere much with the existing export trade of New-chwang, it will undoubtedly be the controlling factor in the growth of the export trade of Manchuria, and if the treaty port wants to have a share of that growth it must become a part of the Russian system and abandon its international character. This may be a hard saying for British merchants who have been the pioneers in opening up Manchuria, but it is nevertheless a true one.

CHAPTER V

ON THE ROAD

KUAN-CHENG-TZE is one of the most flourishing market centres in all the northern part of the Chinese Empire. Technically in Mongolia, it is to all intents and purposes a Manchurian town, administered by a Chinese official under the Governor of the Kirin province. In all times it has a position of importance on the highway from Sungari to the Gulf of Pechili as a grain emporium in the middle of a most fertile district, and now it contains a large Russian garrison, consisting for the most part of the "Achranie Straja" and a branch of the Russo-Chinese Bank, which not only is an aid to commerce but a very pleasant help and refuge for the traveller. As we had to wait a couple of days for our baggage, which was still on the road behind us, we found the hospitality of the bank most useful.

We had now, without much regret, parted company with the railway, and were preparing to strike across at right angles to Kirin, the provincial capital, which lies eighty miles east of what the Russians have made the main road of traffic north and south. Though it was pleasant to get away from the officialdom and procrastination of the railway,

we were confronted at the outset by the difficulties and delays of Chinese travel in the rainy season. Carts, of which we needed four, could hardly be procured at all, partly owing to the season of the year and partly because the Russians had raised the prices to an exorbitant standard by their lavish expenditure in the work of railroad construction. After much bargaining we succeeded in persuading four carters to accompany us at the rate of 35*s.* a cart for the whole journey. They were to be ready at four o'clock in the morning in order that we might make an early start. They arrived about nine, spent a good hour in loading, and, after receiving half their pay as earnest-money, disappeared again for two hours in true Chinese fashion for the purpose of paying their hotel bills in Kuan-cheng-tze.

Finally, we got away at about midday, and only succeeded in covering twenty-five versts before nightfall; but since the heavens were propitious and withheld their rain we had no reason to complain of an extra day on the road, where we were once again, as soon as we had passed the gates of Kuan-cheng-tze, free from military rule. It is true that, for form's sake, a Cossack guard of seven men accompanied us; but the Cossacks were such genial, good-natured fellows that they were a help rather than an encumbrance to our journey. Their protection was quite unnecessary.

It was good, too, to have a horse between the knees, and to live for a short time the unconstrained and picturesque life of the road, which will soon become as much a thing of the past in the better-known

parts of China as it is in the England of to-day. In a prosperous country like Manchuria it is singularly free from discomforts. The inns are large, and, for China, unwontedly clean, consisting for the most part of large square yards, with, in nearly every case, a long low building occupying the whole side opposite to the gate. One portion of this building may be partitioned off for guests of a superior rank; but, as a rule, there is but one room, with a kang on each side running the whole length, on which the inmates eat and sleep and in general pass their time.

On your arrival you sweep the whole crowd of old men, women and children from one end of the room, perform such ablutions as you may in the circumstances desire entirely *coram publico*, while your boys are getting hot water and eggs and preparing supper. Thereafter your camp-bed, without which you should never leave a treaty port, is stretched on the kang, and you turn in early, since there is nothing else to do, but not so early as the Cossacks, who are snoring already on the opposite kang. You sleep almost under the cool stars, for one whole side of the inn is open to the outer air at this time of year.

There is nothing to disturb your peace, not even the hereditary foe of travellers in Chinese and other inns, from which your camp-bed protects you; only a pig is grunting outside the open window, and sleep is induced by that most typical of country sounds, the rhythmical munching of the ponies at their rude mangers in the yard. You are up

betimes in the morning, for the back of the day's journey must be broken before the sun is hot; and, indeed, the flies, the one pest of Manchuria, will not suffer any laggard to linger in bed. The score is paid before you retire for the night, in order to inspire the greater confidence in your host. It is a small matter of some five shillings for lodging, hot water, food for three horses and three Chinese boys, and a dozen eggs for yourself. The Cossacks and carters settle their own accounts.

The sun is hardly above the horizon when you are in the saddle and away over the swelling uplands which stretch out to the east in larger and larger waves, rather like the wolds of Lincolnshire on a bigger scale, until the blue mountain ridges begin. On your sturdy Mongolian pony you amble ahead of the convoy until a stream and a grassy bank and a shady tree entice you to lounge away an hour to let the rumbling carts overtake you.

There are woods now of respectable dimensions, cultivation is not quite so universal, villages are scarce, and you are free to breathe the fresh wind of the wolds away from the oppressive overpopulated atmosphere which clings to the plains of China. In this less utilitarian country there is room, too, for flowers and flowering shrubs among the green crops. The lily of the valley, which grows to profusion about Kirin, is over now, but the woods are carpeted with bluebell and convolvulus, in every creek the iris blows, in the fields the tiger lily and the poppy add colour to the dark green millet, while under the very wheels of

RUSSIANS GUARDING AN UNCOMPLETED BRIDGE

your cart the belated crocus still breaks in the roadway.

Then when the mid-day sun flattens the landscape you rest at another inn, where you may hob-nob with a French bishop or pass the time of day with a sleepy mandarin wending his way over hill and dale in a blue chair escorted by picturesque Chinese cavaliers with knees tucked up on their ponies' withers and rifles slung nonchalantly, muzzle downwards, over their shoulders. In the afternoon, perhaps, a Russian officer comes along, with his guard riding erect behind him and a light cart following with his baggage, for he is out on a surveying expedition, or possibly is varying the monotony of garrison life by a week's pursuit of the wily hun-hu-tze. It only requires a night attack from the pig-tailed Jack Sheppard of Manchuria to make the old-fashioned picture of road life complete, and that you may get if you are lucky.

On the afternoon of the second day we caught sight of a high mountain peak which lies to the south-west of Kirin and serves as a landmark to travellers. Some Russian officer or missionary of a classic turn of mind has labelled it Mount Parnassus. We kept it in view for the last forty miles of our journey, reaching its spurs by eight o'clock on the third day. Thence the road winds through wooded hills until it crosses the last high ridge before Kirin. On the summit of the pass a Chinese temple is most picturesquely set down, before the gates of which a lovely view of the Sungari Valley

unfolds itself. But Kirin is not yet visible; the road turns to the left, and clings to the bottom of the hills among the trees, and you are hardly aware of the near presence of the capital until your pony is suddenly up to his fetlocks in the squalor and offal of the suburbs.

Though the Kuan-cheng-tze road is the more beautiful, it lacks the splendid aspect of the more northerly route towards Kharbin, by which I subsequently left the city. This road climbs the fortress hill just above the west wall, and thence, as you look down on the city, and the river, and the mountains across the river, the first step in the ladder of the Long White Mountain, you command a view which is scarcely surpassed in any inhabited part of the world. It reminds the traveller of Florence seen from Fiesole, but the scale is far grander. The Sungari is a more imposing, if perhaps a muddier, Arno, and the mountains of Manchuria, stretching away in infinite vistas, would put to shame the poor Chianti hills, while in their recesses lies many an unvisited Vallombrosa.

Down below the comparison stops with a sudden shock. Kirin, "the city of the happy forest," is a mean town which, from being Chinese, has missed a magnificent opportunity. Hardly a building of any note varies the monotony of its streets, and instead of a splendid Lung' Arno along the Sungari there is a wretched filthy street supported on crazy piles which threaten at any moment to collapse and to precipitate the passenger into the river forty feet below. The one peculiarity of the town which

differentiates it from other Chinese towns is the fact that its streets are roughly paved with tree-trunks, which feature duly impressed my Shanghai boy, whose experience of denuded China has led him to believe that a street might as readily be paved with gold as with precious wood.

Kirin is, however, by no means a poor town in the matter of riches. Timber has up to now been its chief source of wealth—a source which the Chinese are draining very rapidly; but under Russian rule it is still likely to retain great importance, not only as the provincial capital, but also as the centre of a district which is very rich in both coal and iron. Unfortunately the river is only navigable here for light draught junks, and for them only in summer, though in winter it is converted by the frost into a splendid highway. It is probable, therefore, that its prosperity will remain stationary until the branch line connecting it with the Kharbin Port-Arthur railway is finished.

The Russians had a considerable force of Infantry and Artillery encamped across the river in summer quarters—in all about ten thousand men—which they are not likely to decrease for some time to come, since four thousand recruits from Siberia were marching in to replace the time-expired men just as I left the city.

The General himself was away on an important expedition along the hills to the south, which was being undertaken in conjunction with a similar expedition emanating from Mukden, the object being to clear the country of brigands. They were

coming back to Kirin while I was there after a more or less bloodless campaign, in which they had failed to locate the hun-hu-tzes, who disappeared into the hills, or the crops, or the villages before the advance of the army.

There were no preparations for the keeping up of a permanent Russian garrison at Kirin, such as there are, for instance, at Kharbin. The Russian Government did not appear to know its own mind about the military future of Manchuria, so that officers and men were kept almost under marching orders, which condition of things did not add to the comfort of camp life.

There was a similar uncertainty about the apportioning of political power and responsibility among the various officials. There was the Commander-in-Chief of the Russian forces in the province, who had his headquarters at Kirin; there was a Military Commandant for Kirin itself; and, thirdly, there was a Russian Consul. Each of these claimed to have the power of dealing directly with the Chinese Governor-General, and each was more or less at loggerheads with the other two—a state of things which was somewhat typical of Russian rule in Manchuria generally.

One of the minor results of the semi-chaotic condition of affairs was that the officers who had already been in the district for nearly two years had been prevented, or imagined themselves prevented, from making any provision for their personal comfort or recreation. The British Army in similar circumstances would have long before had its cricket

and polo grounds, its tennis courts, and racecourse, and would have made life in such a splendid country, if not thoroughly enjoyable, at least more than tolerable for both officer and man.

The Russian officer has no such resources; he does not even take advantage of the game in which the country abounds, and, in consequence, finding life almost insupportable, he is driven to the less salubrious pastimes of cards and drinking bouts. Among all the officers I saw in Kirin and along the road to Kharbin not one had a good word to say for Manchuria, nor wished ever to set foot in the country again. The criticisms always ended with the phrase, uttered with supreme melancholy: "Il n'y a pas de femmes," which admits of various translations.

The conclusion to be drawn from the doleful picture of the Russian officer in Manchuria is that, if the much-abused polo and cricket of our officers detracts from their military efficiency, as many critics appear to imagine, they at least produce a much higher capacity for empire-building than anything to be found in the officers of other nations.

Though there were some ten thousand Russian troops at Kirin, no officer ever dreamed of riding more than a mile beyond the limits of the town, or the camp across the river, without taking a mounted escort with him, and as mounted escorts are not always available, the splendid valley of the Upper Sungari was practically a sealed book to the army. I cannot, in fact, imagine a much more dismal life than that of the Russian soldiers cooped

up in camp in a strange country, with no permanent barracks to protect them from the rains in summer or the severe cold of winter, with very little and very inglorious fighting to do, and absolutely no means of recreation. The only men who were not to be pitied were my friends in the bank, who had exceedingly comfortable quarters, and whose time was, at all events, so well occupied with the business of the bank that they could not complain of dulness or want of employment. The two Presbyterian missionaries also had plenty to do, reorganising their church and school after the disasters of the previous year. Indeed, for the civilian a trading centre like Kirin, which is just being brought into communication with the outer world, must present many points of interest. One feels and almost sees the motion of a great Power which is carrying out enormous changes in the forgotten parts of Asia, and one instinctively looks forward to a future visit to this picturesque spot when, in the course of only a few years, the Upper Sungari Valley, with its great mineral wealth and natural attractions, only a short time ago as remote a district as any in the world, shall have been brought within an easy fortnight's journey of London.

In the meantime I could not afford to linger at Kirin, since my friend in the bank very kindly offered to give his colleague two weeks holiday in order that he might accompany me to Kharbin, where he had business to transact, and it was necessary that he should start very soon after our arrival.

After a farewell entertainment at the house of the richest banker in Kirin, within the walls of which one was able to understand that refinement and comfort, and a high standard of luxury even, can exist in the midst of the most uninviting surroundings—his house was fitted with a telephone and electric bells, and his blue china, bronzes, jade, and champagne were equally irreproachable — we left Kirin, glad to be on the road again in spite of the hospitality of the Russo-Chinese Bank and the Presbyterian Mission, the two institutions which help to smooth the way for travellers in Manchuria.

Our route lay by the road which follows the course of the Sungari to the point where the Port Arthur and Kharbin railway crosses it, one hundred versts south of Kharbin. This being the main Russian line of communication, the road is furnished with military posts at distances of eighteen or twenty miles from one another, where one is always sure of a clean room and a hospitable reception. The Russian officer or railway official is always willing to share his last crust or his last bottle of champagne with the chance comer, and it is as likely to be one as the other in Manchuria.

Unlike our journey to Kirin, this one was spoilt by the rain, which fell in torrents, until travelling became a nightmare of abysmal mud and everlasting jolting. We started in a tarantass, but, finding that impracticable, took to a light military waggon, while our baggage followed in a small Chinese cart. Even so, it was once impossible to make more than

one stage (eighteen miles) between sunrise and sunset. Sometimes the road was scored out into a dangerous ravine; sometimes it was converted into a broad torrent. On one occasion in crossing such a temporary flood our Cossacks' ponies (we still had two protectors) were swept clean off their feet and were compelled to swim for their lives to the farther shore, while we with our carts sat down on the near bank like the Roman rustic and waited for the river to flow away. This it conveniently did; at least it fell eighteen inches in less than two hours, so that our carts could make a crossing. But even then everything had to be unloaded and carried over separately on horseback by the untiring Cossacks to avoid a thorough drenching of our effects.

There were only two bright spots on the landscape. One came in the shape of a happy Corean, who trudged along by our carts for a whole day. His costume consisted of brown leather riding-boots much the worse for mud, a Homburg hat by which his topknot was concealed, and a pink umbrella. The rest of his clothing he had prudently wrapped in oil-cloth and carried in a bundle on his shoulder. From the interest with which he inspected the various villages on the way we gathered that he must be on a walking tour for pleasure and instruction, for we could hold no conversation with him, though he chatted continuously in his outlandish jargon with our Cossacks, who for their part answered at length in Russian, and so they passed the long day, to the supreme content of both parties,

neither of whom understood a word the other said!

He was a kindly soul, and we quite missed his company next day, until his place was taken by a Russian lady, who came up with us riding sturdily through the deluge soldier fashion on a Cossack saddle, attended by a cart and two soldiers. Perhaps she was an officer's wife driven away from Kirin by the recent order from Khabarofsk. In any case, she bravely forded the deep torrents, kneeling on the saddle, as Cossacks do, to escape a wetting, and bore the other inclemencies of the weather with a bright equanimity which helped to lighten our dulness for a day. And then she, too, like the Corean, passed from our ken.

For the rest, the only incident of the road was a constantly recurring one in the endless stream of recruits who passed us on their way to join their regiments at Kirin. On the first afternoon, when the sun was still shining, and they broke suddenly on our view round the bend of a hill, the long red-shirted column with shining bayonets reminded one for a moment of a British regiment on the march in the ante-khaki days. But ever after that they were a straggling unkempt crowd, some with boots, some barefooted—either to save their boots or their feet—toiling painfully through the rain and the mud; a sturdy lot, but heartily sick of the business.

"How far is it to the next post?" they always asked, and our driver, whether it was eight or ten or fifteen, invariably answered "Five versts," just to keep up their courage, as he explained. There are

more pleasant lots in life than that of a Russian conscript trudging his forty versts a day across Asia to win new realms for the Emperor.

At length, since the muddiest journeys and joltings have an end, we arrived late one night at La-she-go, the railway station on the north bank of the Sungari, and fortunately, or unfortunately, found a construction train just about to leave for Kharbin. Not a single empty truck was in the station, so we were compelled to pack our baggage on the top of what seemed to be piles of wheels and jagged scrap-iron, and, sitting down on the sharp edges, we set out for the north supperless and very tired.

The road-bed is more settled north of the river than on the Kuan-cheng-tze section, so that we were able to maintain a decent rate of speed, which brought us into New Kharbin, the junction, at about five o'clock in the morning, cold and damp with the dews of a sleepless night. Putting our baggage on a cart we then walked the five miles to Old Kharbin, the administrative town, which lies along the line to Vladivostok, and at last, at seven o'clock, we found a bed in the hotel.

Having thus reached the centre of Russian Manchuria by a somewhat devious journey, yet without official documents and without once being challenged, I was content to let the future take care of itself, and slept for the next few hours the sleep of the just.

CHAPTER VI

KHARBIN

I FOUND Kharbin chiefly remarkable for the number of its generals and its phonographs. The phonographs are imported so freely from America that every house seems to be haunted with an aged crone singing the music of "El Capitan." The generals come from St. Petersburg or Moscow by every mail. When a recent expedition of about two thousand men left Kirin it was accompanied by three generals; they were to act in co-operation with a similar force equally generalled from Mukden. It is not surprising that nothing came of the expedition, the natural odds in favour of the Hun-hu-tze being so much increased. At Kharbin the plethora of generals is at least harmless, if it is not altogether justified by the number of troops stationed there, which might amount to ten thousand or perhaps twelve thousand men.

There are in reality three Kharbins: one by the large railway bridge on the right bank of the Sungari; one called New Kharbin, a mile or so to the east, where the Port Arthur and Vladivostok lines meet; and, thirdly, old Kharbin, about eight versts to the east of New Kharbin. The last is the only one of the three which had an existence previous to

the coming of the Russians, having been employed chiefly in the manufacture of the Chinese equivalent for whisky.

Troops appeared to be quartered in all the three towns indiscriminately, but next year, or perhaps the year after—Russian dates must always be accepted with allowances — the bank and administrative offices were to be removed to New Kharbin, the city of red bricks, and the old town, which is still a Chinese village with widened streets and white-washed walls, will be delivered over entirely to the military. As a cantonment the old Chinese whisky factory leaves little to be desired, being situated well away from the other two towns on the summit of a prairie billow where every breeze breathes life and vigour.

For the rest, Kharbin in its triple aspect is about as ugly and uninteresting as any new prairie town can expect to be. The situation, if intended for a future metropolis, is unexampled. Placed in direct communication by rail with all Siberia and Europe, it also stands at the parting of the ways in Manchuria, and, in addition, commands a navigable waterway to the Amur and the open sea, while from the Upper Sungari it will receive all the wealth of timber and ore of the country of the Long White Mountain. With the mind's eye it is easy to conjure up a vision of future greatness which shall convert these three rising hamlets into one of the world's greatest emporiums.

Coming back, however, from dreams to facts, one remembers that Kharbin is not in America. These

three lines of railway are Russian lines, which would never have been built save for strategic purposes. This wide navigable river leads, not to a Chicago nor to a St. Louis, but to Khabarofsk, the seat of a military governor, to the Amur, a Russian river, and finally to the sea, but to the Sea of Okhotsk. In other words, being on the steppe and not, after all, on the prairie, Kharbin is not susceptible to a boom; and it is typical of the Russians that while they have spent millions to convert the barren coast of Ta-lien-wan Bay into the capital of Manchuria, they have left Kharbin to grow up according to actual requirements. It is at present purely an exotic living on the artificial sustenance of railway employees and troops, and so it will probably remain for many a year.

An Englishman or American would immediately have his commercial imagination stimulated by the position of the town. "Here," he would say, "is the very place for a big city; let us make haste and build it." The Russian says: "We have plenty of space to fill up before we get to Kharbin. If Kharbin is to be a great place, it will become so all in good time. Nobody is going to take it away from us."

This is the true Russian spirit, though it may seem to conflict somewhat with the spirit of the men who are building Dalny and who conceived the Trans-Siberian Railway. The fact is, that the builders of Dalny belong to a small party in Russia who are regarded by the greater part of the community as extravagant and reckless. I mention

Dalny because that port is the crowning ornament, though not by any means the essential part of the great scheme which it represents. The men who are building Dalny are the men who altered the alignment of the Trans-Siberian Railway from the Amur to the Tsi-tsi-har and Kharbin route, and afterwards made the true terminus in the Liao-tung Peninsula. Few people out of Russia probably know how great was the struggle to persuade the Government to build the Manchurian Railway at all, because it is not known how often the bureaucracy of St. Petersburg has been the coerced and not the willing agent of Russian expansion.

It is necessary to bear this in mind in looking to the future of Manchuria, otherwise one is apt to be a little dazzled by the great railway scheme which ends in the Bay of Ta-lien-wan. In reality, Dalny is rather like the goods in the shop window; Kharbin is the plain cloth inside. I was discussing, with a Russian who has reason to know a good deal about the Government's intentions in Manchuria, the prospect of branch railways, and suggested that in a country where the main line must immediately be worked at a good profit the branches must follow very quickly. "You don't know our Government," was the reply. "There were two great arguments in favour of the Manchurian line, one strategic and the other commercial, yet we had the greatest difficulty in getting the Government to build it. For the branch lines we can only urge the commercial argument, and that, I am afraid, will not have great weight."

In any case, Dalny and not Kharbin is to be the capital of Manchuria—it is already intended to move the headquarters of the Russo-Chinese Bank thither—and so unromantic Kharbin is robbed even of the interest which attaches to any seat of government.

The one striking feature of the place to the outward eye is the absence of the Chinese element. Leaving out of question the Chinese coolies working on the railroad, one is confronted with an entirely Russian settlement of the military kind, such as might be found anywhere on the plains of European Russia. Even the open country in the environments of the three towns is devoid of Chinese, because the fields which before the war were only cultivated by yearly colonists, who came up from their homes farther south to reap the harvest, are now lying fallow, and ready for the plough of the Cossack. To a visitor, therefore, Kharbin presents rather a dreary aspect, which is not improved when seen from the windows of a comfortless Russian hotel, in comparison with which a Chinese inn is clean and luxurious.

The one concession which the authorities have made to the wants of civilised inhabitants is to be found in the public garden, where a few cherished trees and plots of grass relieve the eye and a military band sometimes plays without positive offence to the ear. The public garden in the outskirts of Russian civilisation takes the place of the gymkhana ground which invariably characterises the march of British progress. You cannot play

polo or cricket in Kharbin, but you may sit beneath the trees and listen to the strains of "Lohengrin," rendered with some exactitude considering that you are in the wilds of Manchuria.

But since I had neither time nor desire to dally in Kharbin, it was necessary to contrive a means of exit from the home of Russian red tape. It would have been simple enough in all probability to get on board the steamer and proceed by the Sungari to Khabarofsk without let or hindrance, but, having gained my primary object in reaching Kharbin, I was in a position of greater freedom and less responsibility, and, in fact, did not care particularly what route the Russian officials should choose for me long as I was not detained for a week on the as Russian frontier.

Acting, therefore, on the advice of a Russian acquaintance in Kharbin, I went with him to the military commandant, and made a clean breast of it; that is to say, my friend informed him in his own tongue that I was a British newspaper correspondent, who had arrived in Kharbin without any permission or documents beyond a British passport (which is not current in Manchuria), and that I wanted to know where I could go next. The general's face took on an expression of pained surprise as he listened, and, at the end of my friend's introduction, he gave me to understand that I was putting him in a very awkward position. The arrival of British correspondents in Kharbin had not been provided for, and he had no instructions either to arrest me or to let me go at large; which-

THE RAILWAY AND THE YELLOW SEA

ever course he might take he was sure to go wrong, and he begged therefore to be excused in the matter. To Khabarofsk I could not go without permission from the Governor-General of Eastern Siberia, and that permission he himself would not ask for. If, as a private individual, I should telegraph for permission, my request would certainly not be granted, and it would take at least ten days to get an answer from Khabarofsk, owing to the bad state of the telegraph-wires.

This, by the way, was quite absurd, because the bank telegrams were going through in a few hours. It was plainly evident that my request would involve the general in a difficulty, since he would be called on to explain my presence in Kharbin; and at last, in deference to the wishes of the commandant, who was a kindly man, though utterly unable to act on his own responsibility even in so small a matter, I consented to go back the way I had come, not, however, without some misgivings concerning the prospect of another week on the new railway.

As I had come without permission I had to depart in the same way, and there was still a danger of being stopped on my way back at Tieh-ling, where the Governor-General's jurisdiction ended and the admiral's began, a possibility which was in fact almost realised, so that I was near to ending my days in travelling up and down an unballasted railway buffeted to and fro between Kharbin and Tieh-ling.

The return journey to Tieh-ling need not be described in detail. Trains were now running right

through from the second Sungari bridge, which is about seventy miles south of Kharbin, to Port Arthur. The river had still to be crossed by a ferry, or rather by means of a long canoe-shaped boat peculiar to this part of the country, and about as ill-adapted to the passage of a swift deep river as any craft could be. As the river was high and swollen with the rains, both my Chinese boy and myself were extremely glad to reach the south bank in safety. There we with difficulty got shelter in a muddy hovel, which was facetiously labelled "Gostinitza," and was crowded to overflowing by the lower order of railway men and Russian pedlars. The promised through train did not arrive until late next day, so that we had ample time to inspect and photograph the great bridge which was then in process of construction; and when the train did arrive it consisted only of freight waggons, into which the ubiquitous Chinese coolies packed themselves so tight that the few Europeans had no space to sit down. The railway employees rather favoured this state of things because the Europeans knew that they had no fares to pay, while the Chinese were forced to give up a sum equivalent to one shilling for every stage of thirty versts. In this way the train conductors reaped a nice little harvest. But it struck the outsider as rather curious that Russians —even of the lowest order—should allow themselves to be crowded out by Chinese coolies. Such a thing could not have happened anywhere else in China, where the foreigners would have belonged to another nationality, and would no more have thought of

travelling on the same truck with Chinese coolies than a Southerner in the United States would think of sitting down to dinner with a negro.

I experienced a similar shock when I saw Russian women and girls belonging to Cossack families selling bread and "kvass" (the Russian equivalent for beer) to these same coolies at the various stopping places. The theory that one man is as good as another is one which has never had any vogue among the Europeans who settle in China. On the river boats and the coasting steamers the Chinese of the lower classes of course are kept apart, but even the Mandarins are not often seen in the European quarters, separate accommodation being almost invariably provided for them. I daresay the feeling which keeps the races apart is mutual, but there is at least a reason for it on our side, because the unredeemed Chinaman, be he merchant or prince—and he is nearly always unredeemed—is not a pleasant stable companion.

The Russians not only are devoid of this intense race antagonism, but they are proud of the fact, and never miss an opportunity of letting the Chinese know it, and for that very reason they have a certain advantage in dealing with the people of the Middle Kingdom. It is of no importance to decide which kind of treatment pays best. It is not a question of right or wrong, or even one of expediency. Intimacy with the Chinese is for us, and for most white races, an impossibility; for the Russians it is not, and that is the end of it. Writing at this distance I cannot see anything at all extraordinary

or contrary to nature in the mere fact that white women were found serving out food and drink to Chinese coolies at a profit. But I know that at the time, coming fresh from other parts of China, and feeling towards the Chinese as the Anglo-Saxon cannot help feeling, though he may in the abstract like the Chinese and admire many of their qualities, I was much impressed by this apparently trifling episode, and saw in it one reason at all events for the extraordinary power which Russia is able to exert over China.

Our journey to Tieh-ling, which was otherwise uneventful, occupied four days and nights, during which one had to make shift to sleep in a Russian inn, a Chinese hut, and an open truck, the truck being infinitely the most comfortable. In the meantime the rains fell in unheard-of quantities; twenty-five inches came down in two weeks, and from Tieh-ling south to New-chwang every temporary bridge and culvert was swept away, and traffic was suspended for several weeks.

On arriving at Tieh-ling in a truck with two Russian officers I was indiscreet enough to accompany them to an officers' mess near the railway station, which we discovered while searching for breakfast. Both breakfast and vodka were forthcoming after the usual fashion of Russian hospitality, but very soon my presence began to excite comment, and when I rose to leave the company I was pressed, rather ominously, to stay. I then pleaded a desire to call on the manager of the Russo-Chinese Bank, whom I had met on the way north.

An officer insisted on accompanying me through the rain, though the bank was only a few yards away. During my visit he conversed in Russian with the man in the bank, and it was he and not I who gave the signal to go.

On returning to the officers' mess I was requested to wait in the pantry while my companion went to explain matters to the commandant. Plainly I was under arrest. Pretending, however, not to understand what was said, I walked by myself into the mess-room, and sat down as before, but noticed that this time my entrance produced a silence. By-and-by the commandant came into the room, spoke a few words, and the air immediately cleared. I was pressed to stay for a birthday dinner given in honour of the commandant, and good fellowship once more reigned.

Evidently the bank manager had satisfied all inquiries, though, as I afterwards discovered, he did so quite unwittingly. He told me next day that he had described me as some kind of missionary. Had he known my real calling, he was good enough to add, he would certainly have had me arrested. Meanwhile the birthday dinner waxed fast and furious, and when the commandant discovered, at about the end of the third course, my true profession he was much too hospitable to pay any attention to it. The banquet lasted well into the afternoon, and in the evening I was permitted to return to my truck without surveillance. On the following morning I felt that I would rather have been arrested.

My position was none the less sufficiently critical. The hilarity—not to use a stronger term—of my hosts of the previous afternoon had induced them to accept the presence of an English newspaper correspondent as an everyday event, which it assuredly was not. I could not tell how long the effects of this hilarity would last, nor what steps might be taken to hinder my further progress. If the railway had been in good working order I could have slipped away unnoticed, but the torrential rains had put all traffic on the line out of the question for at least three weeks and the roads were altogether impassable ; in fact, as I discovered later on, nearly the whole valley of the Liao from Tieh-lung downwards was six feet under water. What made my situation more precarious was the fact that on calling a second time on my young friend in the bank I disclosed to him my identity and with difficulty prevented his going immediately to headquarters with the news. His zealous desire to see me arrested was only checked by my telling him that I had dined with the commandant in my capacity as *Morning Post* correspondent, and arguing that as long as the commandant was satisfied there could be no objection to my presence. This was a good point—though I did not feel bound to add that the commandant had been too much engaged in his birthday festivities to pay much attention to the status of his guests—at least, it effected my purpose for the moment ; but I was not at all sure how long it would hold good. I was much relieved, therefore, when the engineer with

whom we had travelled north, and who was now, like myself, trying to get down to New-chwang, came over to my truck and invited me to accompany him by river on the following day.

He told me that Colonel Genke, who was policing the river, was at that moment on his way down stream with a force of seventy men, acting as protection against the Hun-hu-tzes to a large number of Chinese craft laden with the beans of the previous year. The colonel had pressed the engineer to go with him, and the engineer passed on the invitation to myself. And I in turn received it very gratefully, refusing to listen to the warnings of my Chinese boy, who thought it little short of madness to risk a daily encounter with the redoubtable brigands of Manchuria, of whom we had heard so much and seen so little in our travels. Personally, I was not only thankful to get away from the rather stifling atmosphere of Tieh-ling, but glad to have an opportunity of learning something about the river and the brigands and the Russian method of dealing with both. The Russian officers in Tieh-ling had regaled me with wonderful stories of these warriors and tales of fierce encounters. Similar stories were current in New-chwang and elsewhere—but I had never yet come across a brigand or seen a single Russian officer or soldier who had been wounded in these frequent engagements. The river expedition promised to throw light upon these points; so it was with pleasant anticipations that I waded through water up to my waist for two miles until

I came to the river, where Colonel Genke, the most hospitable of men, was sitting in the stern of a junk adding up accounts and drinking tea.

His first question revealed the fact that the engineer had been mistaken as to my profession. "You are a banker," said the colonel, "so you can tell me the price for a 'diao.'" When I told him that I was not a banker but the correspondent of a London newspaper, his face fell for a moment. But then, seeing that he had me there and could not very well get rid of me, and judging, no doubt, that I could not have been there except under proper auspices, he took quite the right view of the situation.

"That is splendid," he said. "Now you will be able to tell them in London that we Russians are not so black as we are painted. You will have no objection to showing me your notes as we go along?"

"None whatever," I replied.

"And I take it that you will make one set of notes for my perusal and another for your editor?"

"Exactly so," I answered.

"Then that is all settled. You and Mr. M'Naughton, my interpreter, will occupy one half of my junk, while I occupy the other. I am sure we shall be good friends."

And so we were. For I found that Colonel Genke was not only a man of war, but a nephew of the great Tschaikowsky, and himself an accomplished musician, an excellent scholar, and, what was much to the point, a fluent linguist who spoke English

better than most Englishmen. He was reading "Vanity Fair" for the fifth time, and was familiar with every character in Dickens and Thackeray, while his knowledge of Shakespeare put both myself and the missionary, who was interpreting for him, to shame. With such a companion it was pleasant to travel in any circumstances, but particularly pleasant to get away from the officialdom and red tape of Tieh-ling and live for a short time the free and rather exciting life of the river.

I have gone at some length into my personal experiences on the railway because they throw a considerable light upon the position of the Russians in Manchuria at the time. Now, of course, all is changed. Even an Englishman can travel without let or hindrance from Port Arthur to St. Petersburg; the railway is in good working order, and the Russians are doing their best to popularise the route. Yet only two years ago neither an Englishman nor any other foreigner could travel in Manchuria beyond Mukden, and the Russians were asserting prerogatives to which they had no shadow of claim. They used to explain their attitude by maintaining that Manchuria was in a state of war, and that just as Great Britain would not allow Russian officers or correspondents to run about the Transvaal without special permits, so it was absurd to allow British officers or civilians to pass through Manchuria.

The argument was obviously fallacious. There was no comparison between fighting Hun-hu-tzes and campaigning against the Boers. Nor was

Russia at war with the governing power in Manchuria: she was merely, along with the other foreign nations, helping the Chinese Government to quell its own disturbances. She was not, nominally at least, the only Power interested in Manchuria; and British or German officers had as much right to traverse Manchuria as Russian officers had to go to Paoting-fu. In point of fact, of course, her position in Manchuria was quite different to that of any other Power in China; and whatever theories we might hold to the contrary, we did actually acknowledge that position by our tacit acquiescence. Personally, I never asked for assistance from my own Government, nor had I, as a civilian, any particular claims upon its support. But an officer, and especially an officer in the position of Colonel Powell, could not be treated as an ordinary civilian. When, therefore, our Government allowed the Russians to turn him back and left to them the undisputed power to control the movement of all foreigners in Manchuria, the effect was exactly equivalent to the hoisting of the Russian flag over the country. Manchuria was two years before acknowledged to be the Russian sphere of influence; but equally the Yangtze valley was our sphere of influence. Yet we should never have dreamed of preventing other foreigners from travelling on the river, nor could we oppose the landing of French and German troops at Shanghai. I do not say that we should have been justified in imitating Russian tactics, nor yet that we were bound to raise a protest against these tactics. The point is simply this:

that although throughout this period we were constantly holding up the integrity of the Chinese Empire as the corner-stone of our policy in the Far East, and were officially pretending that Russia must immediately evacuate Manchuria, we were at the same time condoning a number of acts which plainly showed that Manchuria was no longer a portion of the Chinese Empire, and that Russia had no intention whatever of giving it up. Every day we were tacitly granting to Russia a prescriptive title to the three Eastern Provinces, and no subsequent protest could be advanced with any show of reason or statesmanship.

CHAPTER VII

FIGHTING THE BRIGANDS

THE expedition, which was under the command of Colonel Genke, consisted of eight junks, carrying Russian soldiers, with three officers, and a naval one-pounder in the bows of the colonel's junk. We had in all about seventy men, and in addition there were a few junk-loads of Chinese soldiers, under the command of a Chinese magistrate named Yao, who acted as military officer, judge, chief of intelligence, head of the commissariat department, and general factotum.

If scouting was to be done, Yao went ahead in his flagship; if brigands were to be caught, it was Yao who ran them to earth; when the trial came Yao conducted the prosecution, sat on the bench, and gave the verdict; Yao's minions scoured the country for information; and at councils of war Yao drew plans of attack with his forefinger in the mud and suggested cunning wiles for the snaring of the Hun-hu-tze. If you wanted anything, from a junk to a water-melon, Yao was summoned and the necessary article was generally forthcoming.

He was a spare little man, with soft manners and a hare-lip, which added somehow to the indecision of his outward appearance. Though he wore no

beard, his hair was streaked with grey sufficiently to show that he had reached an age when most of his class are gross and unwieldy, and unable to walk a step beyond the walls of their yamens. In spite of his wheedling and garrulous method of speech, one soon began to respect the little man, who, at an age certainly past fifty, had forsaken the easy task of city magistracy for the roving life of the river, where he was up at daybreak on the hunt for brigands, and seldom found his various duties at an end until long after dark.

Colonel Genke was also assisted by Mr. M'Naughton, of the Scottish Presbyterian Mission, who accompanied the expedition as interpreter in order to obviate the difficulties which arise through the use of the rascally Chinese interpreters, who are far more of a scourge to their countrymen than any foreign soldier has ever been. Mr. M'Naughton was an excellent specimen of muscular Christianity, and, in common with most of his Irish and Scottish colleagues in Manchuria, seemed to take a far wider and more intelligent view of Chinese affairs than the majority of Protestant missionaries in China proper. Not only his knowledge of the language, but also his experience in dealing with Chinese character, must have been of great service to the colonel.

The object of Colonel Genke's mission was not at all to fight Hun-hu-tzes, but rather to organise the native Militia along the banks of the river, and incidentally to escort any bean-junks which cared to avail themselves of the opportunity down to

New-chwang. To make any real impression on the robbers a far larger force would have been necessary, and longer time would have been required. If the colonel had landed his men to chase brigands every time the boats were fired on we should have been in the upper reaches of the Liao at the present moment.

For my own part, though I was in a hurry to reach New-chwang, I was glad to have ocular demonstration of the work that is being done by the Russians on the river. It was constantly suggested at New-chwang that the Russians purposely left the river unprotected, partly because they wanted to force the Chinese to send their produce by rail, and partly because the continued disturbance in the country caused by the brigands provided a sufficient excuse for their occupation of Manchuria.

For the first alleged reason there is really no foundation whatever, for the carrying power of the railway is already overtaxed, and will always be so in such a rich country until new lines are built. The second reason has some inherent probability, but it requires modification. To police the three hundred miles of river between Tieh-ling and New-chwang in a thoroughly effective manner would be both troublesome and expensive, and it would be extremely unreasonable to expect the Russians to incur such trouble and expense for the sake of a trade in which they have no interest.

As long, therefore, as it is understood that Russia must evacuate Manchuria the Russian Government

will take no serious steps to put down piracy away from the vicinity of the railway. It would be quixotic and foolish to act in any other way; but granted the control of Manchuria and the Port of New-chwang, the Russians immediately acquire a stake in the country, and it will be to their interest to clear the river.

In other words, the situation amounts to this. If, by exerting combined pressure, we turn the Russians out of Manchuria, or at least out of New-chwang, the country must remain unsettled. The Chinese cannot settle it, and no one else but the Russians will try. If we let the Russians keep New-chwang they will set to work in earnest to get rid of all robbers and brigands. Some people imagine that they are incapable of accomplishing the task; but this is not the case, since they have rendered the railway territory perfectly secure in a very short time.

As long as the matter is undecided, Russian policy on the river exactly corresponds to the general situation. They do not patrol the river, but they make it sufficiently secure to enable the boats to get up and down without serious loss; and this they do because it brings money into the coffers of the Chinese native customs at New-chwang, which money is collected for the Russian Administration and goes into the pockets, legitimately, of course, of the various Russian officials. That their control of the river has been sufficient for the purpose is proved by the fact that in 1901 the native customs had collected 180,000 taels for the first half of the year,

almost a record harvest, which served to pay nice salaries to the civil administrator and his coadjutors.

It will be seen, therefore, that the military policy of the Russians on the river is dictated entirely by expediency and reason, and I was able to observe that Colonel Genke left no stone unturned to make his mission effective to the limit of his instructions, and even, perhaps, a little beyond the spirit of those instructions. The best proof of the usefulness of his work is the fact that, having started with over a thousand bean-junks from Tieh-ling, we picked up new fleets on the way down until we brought some five thousand junks into New-chwang. Of these probably not more than five per cent. were robbed at all, and it is safe to say that three-fourths of the number would have remained up the river if the colonel's expedition had not been undertaken. On this occasion alone we took $150,000, on a very moderate computation, out of the pockets of the robbers, and the price of beans in New-chwang dropped 14 per cent. in two days.

With regard to the Hun-hu-tzes (the term is now used generically for all robbers or pirates), this year only differed in degree from all the years which preceded it since Chinese history began in Manchuria. In ordinary times the tax levied by these brigands is not very great, or at least not prohibitive, because the whole matter has reached the state of permanent compromise so dearly loved by the Chinese.

It is a state of live and let live, in which there is no real dividing-line between the pirate and the official. The Hun-hu-tze squares the merchant, and

TYPICAL MANCHURIAN LANDSCAPE

the merchant squares the magistrate, and a man may be magistrate, merchant, and master pirate by turns or all at one time. If a boatman pays his insurance-money at New-chwang he is safe for the journey; or if he prefers to pay his money at the river bank he is only charged a slightly higher tariff, and his person and cargo are alike secure from harm as long as he observes the rules of the road and does not try to cheat the pirate of his due. One distinguishes immediately the boats which are insured by a special flag, with characters on it, at the stern. This flag protects the boat for a certain distance or for the whole journey, as the case may be. The insurance-offices have their headquarters at New-chwang, or in other large towns like Tieh-ling, in the houses of the leading merchants, who exact their commission and hand over the principal sum to the agents of the robbers. At New-chwang there are several hundred rich men dressed in silks and satins, moving in the best Chinese society, who make their living entirely by piracy.

As for the boatmen, they regard the blackmail exactly as they regard likin or any other tax. One robber with a gun appearing on the bank of the river is quite enough to stop fifty boats. A shot is fired to bring the boats to, the robber goes through the boats, exacting five or ten dollars a boat, or possibly a smaller sum, and the junkmen haggle and talk a great deal, but they never dream of active resistance. That is the chronic state of affairs. This year matters were different only because the number of pirates was enormously increased

by swarms of disbanded soldiers who did not belong to the regular pirate bands. They were self-appointed brigands, who had introduced bad habits of brutality and extortion, which had rendered the burden on the boatmen almost intolerable. For a time, therefore, traffic was at a standstill, and Hun-hu-tze hunting became a dangerous sport. The Chinese boatmen, who never before refused to pay blackmail, were irritated by finding that their insurance flags were not respected, and in attempting to escape too frequent payments they offended the robbers and were fired on in earnest, often with fatal results.

The local headmen of the villages were at first powerless to mitigate the evil because they were forbidden by the Russians to possess firearms, and in many cases the Tuan-lien, or village militia, are as great a scourge as the robbers themselves. In fact, it is not unusual for the militia to be composed of Hun-hu-tzes. In ordinary cases the young men of the village volunteer for this military service, but where there are not young men enough it is sometimes necessary to hire the services of transient robbers, who are then given a grant of land and become in theory peaceful cultivators of the soil. In practice, however, they often, under the guise of militia, revert to their former more lucrative profession. In fact, the state of the country was in 1901 becoming about as bad as it could be.

It was Colonel Genke's mission to organise as far as possible these village Tuan-lien, to stamp their rifles, to find out how far they were doing their

duty, to hear complaints, and generally to overlook the policing of the river, which, nevertheless, was to be left almost entirely to the Chinese authorities, of whom the chief was our friend Yao. The Russian soldiers were merely for the protection of the expedition itself and the boats which accompanied us down stream.

I confess that I was surprised to find how prevalent the Hun-hu-tzes really were. During the first day or two there were continual encounters with robbers on the bank, always of a somewhat unsatisfactory nature. Though they must have known of our coming, small bodies endeavoured with the greatest confidence to "hold up" the junks under our care. In such a crowd of sails it was impossible for them to distinguish at first the foreigners' junks, as the soldiers were in loose cotton clothes which were not at all conspicuous. The usual methods were employed, but when the robbers saw the boats, instead of coming to the bank, go boldly ahead, they first began to fire in earnest, and then probably discovered their mistake.

When firing began a way would be made for the Russian junks, and as soon as the jacket could be removed from our one-pounder the river was alive with the noise of bursting shells and rapid volleys. The first shell was generally sufficient to show the Hun-hu-tzes that for once they had attacked the wrong party. The miniature battle would soon be over, because the swiftness of the current carried our boats quickly past the point of attack, and it was never worth while to pole up stream. For this

reason the Hun-hu-tzes would occasionally emerge from the *gow-liang* (giant millet) after we had passed and impudently fall on the defenceless rear of the convoy; once or twice they even saluted the Russian boats with a parting volley; but, as a rule, the gun frightened them sorely, and they were rendered harmless for the day.

It is not very satisfactory work firing volleys into the standing crops which entirely conceal your adversaries. Only once did we have a chance of pretty artillery practice, when a band of mounted robbers had to cross a bare slope in their flight about a mile back from the river. As the shells of the one-pounder burst among them our Chinese steersman declared that he could see horses and riders bowled to earth, but my field-glasses were not strong enough to allow me to corroborate the statement.

On another occasion firing opened from a village just at dusk when we were about to stop for the night. The men were landed and drawn up quickly in two bodies, each under an officer, and then away they went through the village in two different directions. Naturally there was nothing but here and there an old man or a few children to be found, so we dashed through the *gow-liang*, the soldiers' white clothes making splendid targets in the semi-darkness, until, a shot or two being fired by robbers, a volley immediately whistled through the *gow-liang* in our direction, coming evidently from the other search party. Being, therefore, in greater danger from our own men than from robbers, we made our

way back to the bank, only to find that the redoubtable Yao had captured six culprits without going more than a hundred yards from the river. This was, indeed, the usual result; for it is quite impossible for a Russian to tell a peaceful villager from a bandit unless he catches his man in the act of firing. The Chinaman plunges into a *gow-liang* field on one side a robber and comes out on the other a harmless farmer, having divested himself of rifle and cartridge-belt in transit.

One day, as we were landing for luncheon at about noon, we surprised a solitary bandit who, apparently, was watching the boats go down at his ease, perhaps unable to select his prey amid such an embarrassment of riches. At our approach he bolted, leaving his horse and rifle in our hands. The soldiers beat the *gow-liang* for him and got very hot, while Yao went quietly to his house in a neighbouring village and arrested him. There was no doubt about his guilt apparently, but Yao went through the usual form of catechism, which is not pretty to see or to hear even at a distance. The robber went by the name of the "Little Fool," it seemed, and the title was certainly appropriate. After his trial he was handed over to the Tuan-lien of the place to be taken to Mukden. If he ever got to Mukden he was undoubtedly shot. It is just as likely that the Tuan-lien shot him after we left or let him go at a ransom. All these matters were left entirely to Yao and the other Chinese authorities, Colonel Genke only reserving the right to veto a death penalty. In this way a sort of rough-and-ready

justice is meted out; but, however hot might be the chase, one felt sorry as soon as men were captured, because there was always a chance that the innocent would suffer instead of the guilty. Perhaps one's scruples were unnecessary, because the villages along the river were so much infected with piracy that it is almost impossible to sentence the wrong man.

Yao really did his best to sift his cases to the bottom, and he often proved himself to be an able detective. One night he had caught a number of men in suspicious circumstances, and at first we thought they were to be shot out of hand. It was rather ghastly work looking on by the grim light of a flickering lantern at the preliminary examination in a Chinese hut. Some were gaunt and haggard with hollow eyes, others seemed well fed and inoffensive. The magistrate squatted in front of them, examined their faces and hands, peered into their eyes, and smelt them one by one. To our relief three or four nice-looking men were at once weeded out and acquitted. It appeared that they were theatrical performers, who had been delayed there by the floods and now found themselves in danger of being shot. A foreigner could never have gauged the truth of their story, but Yao was quickly convinced by a number of minute signs.

When the obviously innocent were dismissed the more serious form of trial began. It consisted in picking out the most likely man and compelling him by corporal suasion to disclose the real ringleaders. At this point it is always well to withdraw from a

Chinese trial, and if possible get out of range of hearing. In such a state of society it is probably the only serviceable method, and, compared with the horrors perpetrated by these robbers on the wretched villages, it is humanity itself. Still, innocent men may occasionally be beaten to death, and one does not care to be in the neighbourhood at the time.

It should be noted that on the river, as in the rest of Manchuria, the Russians have their men well in hand. Whatever outrages may have been committed during the actual campaign of 1900, the greatest care is taken now to punish severely any ill-treatment of the Chinese on the part of the Russian soldiers; and the Chinese will tell you that the worst that ever befell them during the Boxer troubles at the hands of the foreigners is not to be compared with the cruelty and barbarity which their own countrymen, the disbanded soldiers, deal out to the unhappy villages west of the Liao.

Farther down the river the effect of the recent rains began to show themselves. The floods were out, and the embankments were often washed away, so that no robbers could get near the river to "hold up" the boats; but as we came nearer to the sea stories were rife of bands of pirates, mostly Tientsin men, who were going about in large junks, each junk carrying thirty or forty armed men; and we heard of attacks on the Russian gun-launch which was patrolling the lower reaches and of the capture of three Russian soldiers, two of whom were killed and one kept, not only as a hostage, but also as a sort of decoy duck. They put him in a conspicuous

part of the boat in order to make the bean men or the native militia think that Russian troops were on board and to prevent the militia firing. The story at first seemed to be highly improbable, but, though it varied on different occasions, the part about the soldier was always repeated, until we discovered in the end that it was actually true. The soldiers had been apparently captured while strolling along the bank. Two were killed and one was kept for the purpose described. We expected, therefore, to have a real fight with the pirates; but on getting to San-she-ho, where the Hun River joins the Liao, we found the country so entirely under water that it would have been futile to hunt for the pirate junks, which had disappeared at our approach.

There was no other course available but to enter into negotiations with the robbers through middlemen for the ransom of the soldier. The price to be paid was considerable. Such, however, is the luck of the game.

As we passed San-she-ho and sailed out on to a sea of flood water, where everything was submerged except the trees and the larger villages which stood on higher ground, the boatmen began to say that it was the most disastrous flood on record, worse even than the deluge of fourteen years ago; but this proved to be an exaggeration. Some hundreds of square miles were under water, but the natives said that only half the harvest would be lost if the water fell quickly, as it seemed inclined to do. Even this was bad enough, coming as it did after the disasters of 1900. For us it provided a novel experience.

Leaving the river channel, with a fair breeze and clear sky we sailed straight across country, and a wonderful sight it was to see five thousand sails stretched from horizon to horizon, going past houses and trees, and often charging through the *gow-liang*, which still in places showed four or five feet above the water. So, leaving the strife of the river behind us, we were carried by a favouring gale straight to the port, which we reached on the morning of the sixth day.

CHAPTER VIII

THE MILITARY SITUATION

In dealing with the general situation in Manchuria as I found it at the time of my journey there are two aspects of the question which merge into one another, but may for convenience' sake be discussed under separate headings—the military aspect on the one hand, and the political and economical on the other. The military side of the question, though not in the long run the most important, is certainly the most pressing, and for that reason it may be taken first.

In the early days of the Russian occupation we had to depend for our knowledge of what was going on in the interior almost entirely upon reports coming from New-chwang, which in the nature of things could not fail to be inaccurate and misleading. At the treaty port the trading element, as in most other Chinese treaty ports, is mainly British, and from the very first the British merchants have been set against the Russians, not only by national antipathy, but also by an idea that the Russians mean to ruin New-chwang for the benefit of Dalny. This idea may now be giving way to the growing belief that Russia intends to govern and develop New-chwang as well as Dalny ; but in any case the

position of the British merchant is sufficiently precarious to prevent his opinions being strictly impartial. The official element among the foreigners was not, when I visited the port, of much real service to the inquirer. Among the consuls there was Mr. Hosie, one of the highest authorities in Manchuria, and one of the ablest men in the whole consular body in China; but he had only just returned to duty, and he was bound to reflect the official views of his chief in Peking. The Americans had recently appointed a consul to New-chwang—a step which they might have taken long before with advantage—and I found him a man of wide knowledge and broad views, but naturally a novice as far as Manchuria was concerned. The Japanese consul, like most other Japanese officials, was marvellously discreet, either because he would not or could not disclose any facts of importance. Expressed opinion, therefore, in New-chwang was mainly British, and bound to be somewhat derogatory to the Russians.

If you believed all you were told, Manchuria was in a terrible state, was going from bad to worse, and never could be settled as long as the Russians had control of it. On the other hand, it was frequently asserted that the brigand trouble was mainly invented and kept going by the Russians in order to excuse their continued occupation of the country. The two statements were not altogether consistent, and both were coloured by an invincible prejudice.

Lastly, there was the missionary element, which was, perhaps, the fairest of the three; but even here

the outsider could not quite regard his informants as impartial, because not only have the Russians treated certain missionaries with rather scant courtesy, but Protestant missionaries, at all events, must be aware that the permanent occupation of Manchuria by Russia must in the long run lead to the removal of Protestant missions.

It was necessary, therefore, to take everything you heard in New-chwang with just the smallest pinch of salt if it came from British sources. If it came from Russian sources you were generally justified in believing the exact opposite. This remark may appear at first sight to be as prejudiced as any tale that ever came from New-chwang, but it is impossible to modify it. One day the Russians had an official report to the effect that they had surrounded and captured six thousand Hun-hu-tzes in the east of the province, whom they took prisoners and proceeded to drill as native police. Leaving alone the fact that the Russians rarely trouble themselves to carry about prisoners of war, it is obvious to any one who has ever travelled in the country that such a number of prisoners could hardly be collected even by the Chinese in less than six years. The Hun-hu-tzes nowhere go about in large bodies, and even such combined forces as they have split up and disappear at the approach of the enemy. Yet this tale is a worthy specimen of official Russian reports as they appear in New-chwang.

To get any real idea of the state of the country, therefore, it is absolutely necessary to travel; and there is this advantage in travelling through Man-

churia, as compared with travelling in real Russian territory, that the Russians themselves, being far from home, are remarkably outspoken, and criticise even their own Government with great freedom, so that by collating evidence and striking out the obviously false one is able to arrive at information which differs entirely from the official reports, and may to a large extent be relied on.

As regards the state of the country in 1901, it was perfectly correct to describe it as unsettled and turbulent. At Liao-yang the missionaries told me that, even if they were permitted by the Russians to travel among the hills to the east, they would hardly care to undertake the risk ; and when a missionary considers it dangerous to travel in China, one may take it for granted that the country is in a bad state.

Nevertheless, I found the whole railway route and the districts through which the route passed as safe as English highways. People travelled without escorts from Mukden to Kirin, and in the eighty miles from Kuan-cheng-tze to Kirin, with no military posts along the road, we never heard of robbers. On the road from Kirin to the Sungari Bridge, a distance of from ninety to a hundred miles, we were told at one village that there was a force of two hundred brigands in the marshy ground south of the river ; but whether this was so or not it was impossible to say. There was no evidence of the village having been attacked or robbed. On the whole, life and property were as safe on the road anywhere between New-chwang and Kharbin as on any road in China,

and far safer than they were at the same time in the province of Chih-li, where the other allies had been trying to establish peace and quiet.

The eastern mountainous portion of the country was still a long way from being settled, because the brigands of ordinary times had been increased to an enormous extent by the disbanded soldiers of the Boxer year. To attempt to deal with this question by spasmodic expeditions on a cumbersome scale was obviously futile, and one may conclude that the various expeditions undertaken up to date had really had for their object rather the exercising of the Russian army than the extermination of the brigands. But this by no means proved the incapacity of the Russian army to suppress the Hun-hu-tzes.

It took seven years to put down the Dacoits in Burma, and it may take as long to exterminate the brigands in Manchuria. In any case, the Russians do not much care, because for the present their main object is to protect their railway; the other part of the business can wait. Nor is it reasonable to expect that the country away from the military centres should be as quiet as in ordinary times. Troubles like the rising of 1900 must have their aftermath, and there is a good second harvest of murder and outrage being reaped in many parts of China proper as well as in Manchuria. It is really only the prejudiced eye that sees insurmountable difficulties ahead of the Russians.

In this connection a word is necessary concerning a remarkable series of statements made by one of

the most famous journalists in Europe (now deceased), who received his information from a profound student of Chinese affairs soon to occupy the Chair for Chinese Knowledge at some Continental University. Those who attend the University will do well to avoid the historical part of the professor's lectures. Among these statements two peculiarly interesting assertions were made: first, that the Boxer trouble never spread to Manchuria; and secondly, that there were no Chinese troops in the country, the object of both assertions being apparently to prove that the whole opposition to the Russian troops was a farce. These assertions are in a way typical of the things which have been said about Manchuria under the influence of Russophobia.

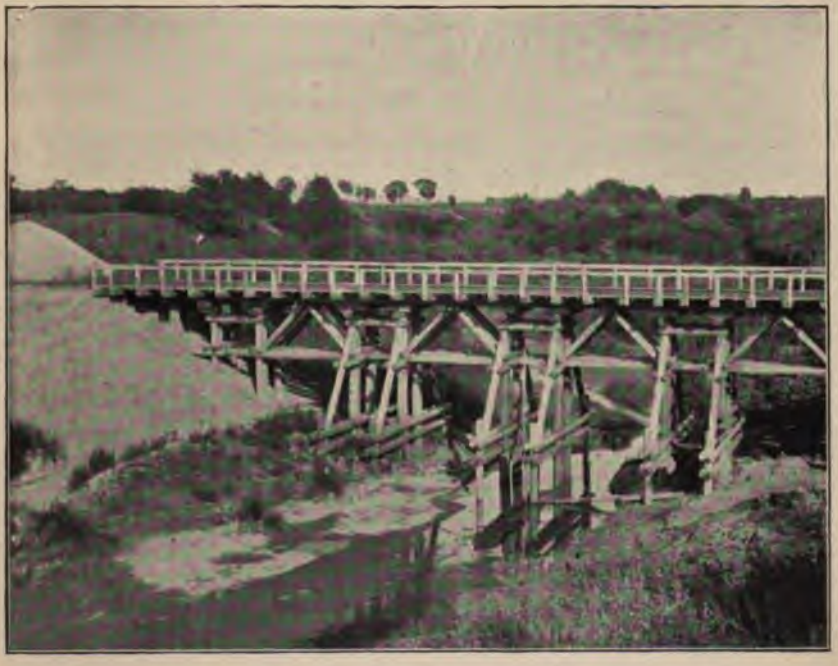
The Boxer movement was as violent in Southern Manchuria as anywhere in China, and the symptoms were identical: railways destroyed, foreign houses burned, and foreigners murdered. The only reason why fewer missionaries were killed is that the wave came later than in Chih-li, there was ample warning, and there were Russian troops on the spot. As for there being no Chinese troops in Manchuria, no assertion could well be more ridiculous, seeing that Manchuria, unlike China proper, is under a military form of government. It is the military element now dispersed throughout the country which has so aggravated the ordinary lawlessness of the more remote districts, and it is useless to expect complete peace in the Yalu Valley until the whole question is dealt with in a systematic way. Indeed it is

probable that in the mountainous districts the brigands will always remain until they are forced to disappear, like malaria and mosquitoes, before the slow advance of railways and civilisation.

Of the Hun-hu-tzes along the Liao River I have already written at length. Like the brigands in the East, they have had their ranks swollen by disbanded soldiers, who are a sore scourge to the country. In New-chwang you are told that the Russians cannot clear the river, and that no one can clear the river except the Chinese themselves. I am convinced that if Manchuria were a British dependency the Hun-hu-tzes would vanish in a very short time. Compared with brigands of other races they are ridiculously easy to deal with, because they are devoid of courage and unable to take advantage of all the facilities for attack offered to them by Nature. It is not their business to fight, because they only hurt their own trade by doing so, and in a country where no able-bodied man has the slightest difficulty in earning a decent living they would soon be reduced to an honest mode of life by a strong Power.

The Russians can do it nearly as easily as the British could. They have made the railway secure by Cossack posts, and it is sheer nonsense to pretend that they cannot do as much for the river if it is worth their while; but it is not worth their while as long as New-chwang is a treaty port and Manchuria is a Chinese and not a Russian dependency. If they police the river sufficiently to enable themselves to get a good revenue out of the native

ON THE YALU



TEMPORARY TRESTLE BRIDGE IN MANCHURIA

customs for the time being, that is all they can be expected to do. In other words, Manchuria never will be thoroughly settled and peaceful until it is a Russian dependency in the fullest sense of the term.

Those who believe that the Chinese are the only people who can deal with the brigand question forget that the Chinese officials have attempted to put a stop to brigandage for hundreds of years without success. Every year a thousand heads fell from the block at Mukden and Kirin, and every year the same blackmail has been levied on merchants' goods. The compromise has been reached, and no further reduction of the evil is deemed possible or even desirable. If in the anti-Boxer days the magistrates had no power to root out the evil, much less can they attempt the task now that their military authority is curtailed, their "face" gone, and they no longer represent truly the majesty of the Son of Heaven. The Chinese, of course, tell you that the Hun-hu-tzes always have existed and always must, but when a foreigner begins to talk in this way you know that he has been twenty years in China, and begins to need a change of air.

In Manchuria itself the gentle Hun-hu-tze is the only obstacle to the complete military domination of the country, and the smallest experience proves that this is a tedious but otherwise insignificant difficulty. For the rest the Chinese army has disappeared, and the people and magistrates acquiesce quietly, if not gladly, in Russian rule. People would like to show that the Russians cannot govern Manchuria; they

pretend to believe that the Russians will find the task too arduous, and they talk about the passive opposition of the Chinese, and prophesy all sorts of trouble in the future. All this is moonshine. I daresay the Chinese are nursing wrath in their hearts, but outwardly they are as cheerful as they can be under the Russian yoke, which for the most part is extremely light. They are getting better wages than ever before, and the merchants are making more money. The Russian soldiers are kept well in hand, and outrages rarely occur. Above all, the Chinese fraternise with the Russians, because the Russians fraternise with them.

I have heard British people speak with disgust of the way in which Chinese and Russians go about arm in arm, and embrace one another ; and at the same time they will tell you that the Chinese hate the Russians more than any other foreign nation. The two things do not seem to agree. Our way is to stand aloof from the Chinese altogether, to treat them with perfect justice but absolutely no sympathy, which may or may not be the wisest way in the long run ; but one can have no doubt as to which way the Chinese themselves prefer. No one will persuade me that a Chinaman prefers justice to sympathy, or likes to be pushed off the pavement into the middle of the road.

It is, however, not even necessary to compare methods. Either will do. The British or the Russians, whatever be their ways, can certainly govern a nation which for two hundred and fifty years has been dominated by the worthless Manchus.

It is a pity that Great Britain cannot have Manchuria; but that being impossible, it is useless to try to keep Russia out of the manger by telling her that she will find the manger very uncomfortable.

The real military question involved in Manchuria is whether the Russians can take the country and hold it against the world. Their position, when I visited the country, was somewhat as follows: In the East—that is to say, east of Stretensk—they had, at the lowest computation, one hundred and eighty thousand men. These were quartered in Port Arthur, Liao-yang, Mukden, Tieh-ling, Kai-yuan, Kuan-chen-tze, Kirin, Kharbin, Vladivostok, Khabarofsk, all along the railways of Manchuria and on the banks of the Amur. If, in accordance with her promises, Russia evacuates Manchuria she will not of course withdraw men from Port Arthur or Vladivostok or Khabarofsk, she will not even be compelled to leave Kharbin, which is entirely a Russian settlement, though in the heart of Manchuria. At Mukden and Kirin she will undoubtedly keep garrisons just as others Powers keep garrisons in Peking; and once the principle is admitted, the size of the garrison can hardly be called in question.

An evacuation, therefore, would not mean a withdrawal of any of the one hundred and eighty thousand troops from the East, but merely the concentrating of these troops in garrison towns. Of this I was convinced not only by conversing with Russians, but also by observing the numbers of men still pouring into the country. Between Kharbin and Kirin alone I met four thousand recruits for the

Regular Army, and not a man was going out. Of course, it may be argued that until evacuation does take place recruits must come in as usual; but one hardly expects them to come in such numbers, and it is remarkable that there should be such a steady flow and no ebb.

Then above and beyond the Regular Army there was the railway guard, which was to be increased to twenty-nine thousand men (the twenty-nine reminds one of the 11¾d. in the salesman's window). This force, no longer called railway guard, but "Achranie Straja," or "protecting guard," is a volunteer force of picked Cossacks, all of whom are supposed to be over twenty-five years of age, and are highly paid according to Russian ideas of pay. It is plain that such a force is far too large for the mere purpose of guarding the railway; eight thousand men could do that very well all over Manchuria. This guard is splendidly armed and mounted on the best Mongolian ponies, of which the Russians have now an inexhaustible store, and it is really a nucleus for the defence of Manchuria against foreign invasion.

These Cossacks possess nearly all the good qualities of the Boers, with some additional virtues. They are better mounted, and their ponies are not subject to the fatal horse-sickness of South Africa. Being armed with both swords and bayonets, they are more fitted for offensive operations than the Boers, while their natural quickness and intelligence make them masters of defensive tactics. The Cossack is generally regarded as a wholly uneducated person, which is in reality far from being the

case. If he is as a rule no scholar, he is learned in all the lore of the forest and river and prairie, while his very lack of exact discipline is likely to improve rather than to detract from his fighting strength.

With the experience of the South African War behind him it is difficult to see how any one can underrate the enormous value of this so-called railway guard in the event of a war against Japan. That the Japanese could ever turn the Russians out of Manchuria one would never suggest if it were not for the fact that many enlightened military authorities still talk of the "inevitable war" between Japan and Russia, in which Japan is going to make mincemeat of the Great Bear. Now, how is she going to do it? She can blockade Port Arthur and Vladivostok, but as Russia has little trade to ruin that will not hurt any one very much. She can land Army Corps by the dozen in Manchuria and seize the Valley of the Liao, establishing, perhaps, her headquarters at Mukden. Russia would adopt her old tactics and retire.

Then the real war would begin. The Russian railway may be a poor affair, but year by year it would bring men by driblets to the East, and all the time Japan, with no natural line of defence, but with long lines of communication to keep up, would be subject to the attacks of thirty thousand of the finest Mounted Infantry in the world. One cannot seriously believe that Japan would ever invade Manchuria, unless, indeed, she be caught by the madness with which the gods first visit those whom they wish to destroy; but

if ever her Army did occupy Mukden she would only find another Moscow in the ancient capital of the Manchus ; and when all is said and done what would be the use ? She could never hope to hold the Liao valley for ever against Russia ; Great Britain might just as well try to hold Normandy again against France. Nor can she restore it to China, for then China gives it back to Russia, and so the game begins all over again. At the very best Japan could confine her attentions to the Liao-tung Peninsula, and in the course of a year or so she might possibly reduce Port Arthur by starvation. But is it worth while to plunge the East, and perhaps the whole world, into war for the sake of getting back what she voluntarily resigned five years ago ?

The conclusion is that as far as Manchuria is concerned Russia is even now more or less invulnerable. Great Britain, Japan, and the United States combined might force her to give up New-chwang, and they might even damage her railway and her new town at Dalny ; but that after all is not war and helps nobody. If Russia is compelled to evacuate New-chwang she will make New-chwang suffer, and that is the end of it. Naturally she does not want to fight, even though she must in the long run win. Though her vital parts are invulnerable, she can yet suffer loss of treasure and men and prestige. We could in all probability inflict another Crimea on her —a barren victory, yet for the vanquished an unpleasant defeat.

One cannot pretend to have a great opinion of the Russian Regular Army. The officers seem to be

wanting in many of the qualities which go to ensure success, and the men are slaves to discipline. Old mass formations and volley-firing with fixed bayonets are the characteristic features of Russian tactics to-day, as they were in the days of the Crimea. Not a single lesson has been learned from the South African War, because the Russian officer looks with absolute disdain on both parties in that struggle, and this, though it is not flattering to our pride, is a great point in our favour ; for it shows that in any modern war the Russians would make greater blunders than we ever committed on the veldt. But yet the fact remains that nothing more disastrous could be contemplated than an invasion of Manchuria by Japan or by Japan and Great Britain combined.

What then, is Japan to do? Is she to sit down and watch the Russian flood descending on her fields without attempting to set up a barrier? The answer is very simple. Japan must take Korea, and do it very quickly too. There is nothing difficult about it. Russia in Japan's place would have had Korea long ago. While Mukden could never be defended against the advancing hordes from the north, Korea can very easily be made secure. There is a natural barrier between Korea and Manchuria, and in these days the two entrances at each end of the barrier could be made impregnable. But, above all, by taking Korea Japan would remove Masampho from the power of Russia, and so put a wedge between Vladivostok and Port Arthur which would seriously hamper all her naval movements.

Russia, humanly speaking, must have had Masampho in the course of the next few years but for the Anglo-Japanese Treaty, and when once Masampho is a Russian harbour, Korea is as good as gone. In the meantime the Anglo-Japanese Treaty has served as a useful check upon Russia's advance, and for awhile Korea is safe; but whether she can for ever withstand the slow but subtle workings of Russian diplomacy is another question, and one which still has to be answered. The object of the present chapter is to show that from a strategic point of view the occupation of Manchuria does not necessarily entail the loss to Japan of Korea. Manchuria has no boundaries towards the North and West, and could never be held by any Power for long against Russia without enormous and ruinous expense. Korea, on the other hand, has a good land frontier, while she is protected on three sides by the sea. The Power, therefore, that holds the naval supremacy in the Yellow Sea must control the destinies of Korea; only a great military Power can hold Manchuria. Russia is already the greatest military Power in the Far East—we must take care that she does not attain to naval predominance as well.

CHAPTER IX

THE ECONOMIC SITUATION IN MANCHURIA

It would be worth while to travel in Manchuria if it were only for the sake of making the discovery that Russia is no more infallible in her Eastern policy than our own much-abused Government. Indeed, in Manchuria you will hear the officials in St. Petersburg more roundly abused than ever Downing Street has been in Shanghai, and that is saying a great deal.

We outsiders have an idea that the advance of Russia in the East is the result of a wise policy long thought out and based on thorough knowledge of facts; and yet when we read the history of Siberia we find that in past times the advance has been fortuitous and almost haphazard—the result of individual effort on the frontier, and not at all the work of wise statesmen at home. These pioneers have won that reward which Cecil Rhodes once declared to be the highest guerdon of merit—they have left their names on the map of the world at such places as Petropavlosk and Khabarofsk, but our knowledge of Eastern geography is so small that to most of us these monuments are invisible, and it is fortunate if we remember the name of Muravieff Amursky.

To-day the process has not changed in the slightest

degree. The rich prize of Manchuria has fallen to Russia almost against the will of her home politicians. One is accustomed to smile incredulously at the promises of Russia to evacuate Manchuria, yet on closer examination it will be found that these promises, though they will never be carried out, have been made in good faith. There have been times when the Russian Government would very willingly have abandoned the new possession if it had dared. But even in a country ruled by an absolute monarch the agents of progress will have their way. In Russia there are evidently three parties: the old-fashioned Bureaucratic Party, which holds the reins of power, and is always timid and short-sighted; the Forward Party, under the leadership of M. Witte; and the "Jingo" Party, whose leaders are nameless as far as the outside world is concerned. It was the "Jingo" Party which brought about the Cassini Convention, the occupation of Port Arthur, and the building of the Manchurian Railway. The moderate men like M. Witte come in after the accomplished fact to fill in the design and to find the money. The old Conservative Party merely acts as a drag on the wheels of Imperialism, being at heart in sympathy with the movement, but physically incapable of spontaneous action.

Fortunately for Russia she has no active Little Russia Party. But the leaders of the "Jingo" Party, who are they who bend the power of the Emperor to their will? Certainly not the Cassinis or the Pavloffs, not even, perhaps, the late Muravieff the Second, who occupied a position more resembling

that of M. Witte to-day as the consolidator of new acquisitions.

If one had to name one man out of many who work for Russia's advance in the East anonymously, as it were, since newspaper fame may not be won in Russia, one would unhesitatingly single out M. Pokotilov, the chief of the Russo-Chinese Bank in Peking. It was he, and not Count Cassini or M. Pavloff, who was responsible for the whole Port Arthur espisode, and it is he who held Li-hung-chang and, through him, the Chinese Court in the hollow of his hand. The negotiations which led to the withdrawal of the Russians from Peking and practically sealed the fate of Manchuria were carried on in Shanghai between Li-hung-chang and Prince Ouchtomsky; but undoubtedly the man behind the throne was M. Pokotilov, who was in Shanghai at the same time; and it is this same quiet banker whose name has hardly been mentioned in the European press, who dictates the policy of Russia in the East to-day.

That, however, the Government has any strong or definite policy one very soon begins to doubt on getting within the bounds of Russian jurisdiction. I found no single attempt being made to supply civil administration to Manchuria because the timid Government was afraid to take so bold a step. The administration was entirely, except at New-chwang, in the hands of the Chinese; but it had been reduced to a farce. The Governors-General of the three provinces have been robbed of their military power, and may now employ only about two thousand men

each, who must all carry Russian certificates. These bodyguards are ridiculously insufficient for the purpose of properly policing the enormous regions under the jurisdiction of the Chinese Governors; and the Governors are supreme only in name. They hardly dare stir outside their own yamens without the permission of the Russian authorities.

The Governor of Kirin, for example, had great difficulty in getting permits for his family to come to him from New-chwang to his own capital. Nor do the Russians care to select good men for office. The Jiang-jün, or Governor-General, of Mukden, was known to have been deeply implicated in the Boxer trouble, and yet he was allowed to continue in office, presumably because he was readily amenable to Russian influence. The magistrate of Hai-chen, who was said by the Chinese to be one of the few really honest officials in Manchuria, a man who never accepted a bribe, and whose courage in putting down lawlessness was almost unique, was dismissed from his post on some trumped-up charge brought by a Chinese interpreter, the real reason being that he had called on all the foreign Consuls in New-chwang, though warned not to do so. It is fair to add that he was, after some difficulty, reinstated at the instance of Colonel Genke.

While the Russians have made Chinese rule a farce they have done little or nothing, as I have already stated, to supply the want of civil authority. At Kirin I found a Russian Consul who was at loggerheads with the military authorities, but for

the most part the country is dominated by the military element. Admiral Alexeieff was nominally in control of the province of Mukden, but he took no part in the civil administration. One can hardly imagine a worse form of government than that which is carried on by corrupt Chinese officials, who are in turn controlled by Russian generals. For, indeed, the Russian general, take him on the average, is about as ignorant of anything outside fighting and drinking vodka as it is possible to be. The only point in his favour is that in domestic matters he leaves the Chinese officials to take care of themselves. No attempt has been made to touch the existing system of taxation except at New-chwang, where the revenue is sufficient to make it worth the trouble of collecting.

At Tieh-ling I was surprised to find that the magistrate was allowed to levy a tax on all goods travelling by rail. There would be no inherent objection to this tax if it were not for the method of collection, which consists in farming it out to a merchant, who collects at least twice as much as he pays into the official treasury. If the Russians allow a tax of this sort to be levied on goods to the detriment of their own railway (since such taxes must in a slight degree discourage transportation by rail), it may be taken for granted that they have made no attempt to organise the financial system of the country in other directions.

Politically, I found Manchuria a chaos of Chinese rascality, military red tape, and general Russian incapacity; and this not because Russia

cannot govern Manchuria, but simply and solely because the home Government had not the courage of its convictions, and was unwilling to inaugurate any change which might point to a permanent occupation. Indeed, the Government will not as yet encourage immigration into Manchuria, and, though the Cossacks of the Frontier Guard (Achranie Straja) are permitted to bring their wives and to settle in the country, not one in a hundred has yet done so, because they do not trust their own Government, and are afraid to risk everything on the chance of permanent occupation.

Such is the political situation in Manchuria, and such is the policy of the Russian Government, which from the outside we are accustomed to praise for its courage and magnificent diplomacy. In reality the Russians, instead of being in a fixed camp as it were, and well fortified against attack, are only bivouacking in Manchuria in a state of nervous apprehension lest some unknown foe should turn their flank. One may imagine then how the progressives cry out in bitterness against the supine bureaucracy of St. Petersburg.

Economically speaking, the situation is almost as unsatisfactory. There is a party, the same forward party that built the Manchurian Railway, which would like to make a great country of Manchuria. There are not wanting men in Russia who are inspired by the highest motives and the broadest ideas, and whose education has been gathered in English and American schools of political economy. These men have built Dalny, and it is obvious that

such a port as Dalny was not intended for a typically Russian form of government. The new harbour in itself signifies foreign trade, and above all foreign imports. These progressive men look beyond the bounds of a purely Russian finance, and if not committed to Free Trade are at least believers in the natural trend of commerce, and recognise the fact that Manchuria and the East generally must be supplied by Japan and the United States rather than by European Russia. They would develop Manchuria if they had their way, just as Great Britain or the United States would develop it.

It might be argued that since this progressive and enlightened party has been so far successful in making the Government follow its lead it will continue to be so to the extent even of preserving the "open door" in Manchuria. Unfortunately one thing does not follow the other. In persuading the Government to occupy Port Arthur and to build the railway, they were able to appeal to the Russian's love of political power; there was, in fact, no great enlightenment in the mere pursuit of political expansion. But to expect the Russian Government to pursue a broad-minded policy in commerce is quite another matter.

The Americans, who take an interest in Manchuria, are afraid that a country with such magnificent resources and such cheap labour will eventually be in a position to undersell the world, and to dominate entirely the politics of Asia. These fears are partly groundless, because the Russians will go very slow in their development of the country. Though

they had been four years on the railway already, they were still in 1901 burning Japanese coal, and in the northern sections they burn wood, which is an expensive and extravagant method of locomotion, and this in spite of the fact that they have fine coal mines at Yen-tai, near Mukden, which they have been slowly developing. It will be years before the mineral resources of Manchuria are more than scraped, and still longer before the manufactures of the East begin to compete with those of the West.

In the first place, the cheap labour scare is a great bugbear. Properly speaking, cheap labour exists nowhere in the world for any length of time; by-and-by, like water, labour finds its own level, and prices tend to do the same. Russian engineers (and British too) will tell you that a Chinese coolie at 30 kopecks (8*d.*) a day does just about a third of the work that you can get out of a Russian navvy at 90 kopecks, and an English overseer of the Kai-ping Mines has told me that he could manage that great undertaking more cheaply and efficiently if the entire Chinese element, contractor, labourer, and all were replaced by British workmen.

There is only one thing which really makes a permanent difference in prices, and that is the collocation of various mineral resources in one district, as is the case in certain States of America, and this is said to exist in Manchuria also; but again it must be asserted that the Russians will not Americanise Manchuria; there will be no great boom, because the Great Bear moves slowly and takes his time, and

refuses absolutely to be hustled or exploited. There is, in fact, a far greater danger that, instead of using Manchuria as a weapon for conquering the commercial world, Russia will check the natural progress of the country and prevent the exploitation of its resources. She will do nothing, at least, at present, to arouse the apprehensions of countries like the United States and Germany.

On the other hand, there is one thing which must be clearly understood by both Englishmen and Americans. Whatever Russia's promises may be now, Manchuria will sooner or later, perhaps in five years, perhaps in ten, be incorporated as part of the Russian Empire, and then her ports will be subject to the ordinary commercial tariff of Russia; and not only is this the case, but Russia will undoubtedly attempt to foist her manufactures on Manchuria in preference to those of Great Britain, or America, or Japan, and this in spite of the fact that the clear-headed among her economists recognise the folly of trying to keep out Japanese and American wares. I was assured of this by Russians who were in a position to know, and who certainly would not overstate the case in this direction.

Dalny and New-chwang may be free ports for several years, but sooner or later they will be closed, just as Vladivostok was the other day. Whether this will seriously hamper foreign trade is another question. In ten years' time the fiscal policy of Russia may change, and her protective tariff may be lowered. In any case it may be impossible to kill foreign trade by tariff.

Or, again, the Russians may find it impossible to close the Manchurian ports as she closes her ports in Europe. The Vladivostok experiment was so unsuccessful that the tariff had to be very quickly relaxed in order to prevent the complete commercial extinction of the place. In the same way the Russian Government may find it impossible to apply the regular European tariff to Dalny and New-chwang, though it goes without saying that Russian goods will always have the preference. In any case, the general trade of Manchuria cannot fail to profit by Russian rule—not so much, perhaps, as it would under British domination, but since the British will never govern Manchuria, that question is not worth discussing. The only question is, whether Manchuria will be better off under Russian management than under Chinese; and to that question there can be but one answer. Russian government at its worst is better than the sort of control which the Manchu dynasty exercised for centuries in its native land. The strongest proof of this is that, in spite of all the troubles of the last few years, the trade of New-chwang has increased by leaps and bounds ever since Russia first established herself in Manchuria.

The point which must be made, however, is this: Russia will keep Manchuria and will eventually put a tariff on imports; and there is no possible advantage to be gained by merely putting small obstacles in her way. Short of turning her out of the country and seizing the railway and Port Arthur, we cannot possibly prevent the inevitable. If we keep her out of New-chwang, as we very well may do, she simply

retaliates by spoiling the trade of the port. Her control of the railway and the river puts it easily in her power to do what she likes in this direction; and, moreover, is it not unreasonable to suppose that a treaty-port can continue to exist in what is virtually part of Russia?

What, then, is the remedy? It has been suggested that we should allow Russia to keep Manchuria since we must, but should force her to give free access to our trade. Can it, however, really be imagined that where we are powerless to prevent the occupation we can enforce fiscal regulations? Either Manchuria becomes Russian or it does not; if it does, the Russians will settle the fiscal policy of the country. It is easy enough to force tariffs on China, but you cannot do that sort of thing with a country like Russia. It would be well, therefore, that our statesmen and American statesmen and Japanese should give up their diplomatic victories and cease to put pebbles in the way of the advancing Russian locomotive. If we like to turn the Russians out of New-chwang, well and good. It will make no difference to the final result, and will perhaps merely hurt the trade of the port for a time. But, at all events, let us do it with a purpose. We cannot turn Russia out of Manchuria, but we can perhaps hold New-chwang as a hostage until we have settled the main question.

Our true course of action, our ideal course is to pin Russia down to Manchuria. She has had her slice of China, and has swallowed it sooner than the rest of us, but she is an adept at the difficult game of both

having her cake and eating it. Properly speaking, she should have absolutely no voice in the control of the rest of China; she should not be allowed to have a single soldier south of the Great Wall; it is even doubtful that her Minister should have a vote in the council in Peking.

But even this is not sufficient. Now that France is the avowed ally of Russia, her troops also should be kept to her own sphere. It is useless to keep Russia out of Chih-li as long as the French are allowed to protect the Lu-han railway with their troops whenever trouble arises. There ought to be no Russian or French force allowed between Shan-hai-kwan and Canton. Of course this involves a strong policy, but it is not too strong for a combination made up of Japan, Great Britain and the United States; nor is such a combination impossible when once the statesmen of these countries have grasped the fact that Russia means to rule China, and will rule China unless she is resolutely opposed by those who are interested in keeping China open to the world.

It is important also to have clear ideas on this Manchurian question, because it is bound to come to the front again from time to time. Four years ago the Russians were forced to look on Dalny as the only real terminus to their railway, because the acquisition of New-chwang seemed to be beyond the sphere of practical politics. Then came the Boxer trouble, and by our own weakness New-chwang was virtually presented to Russia. She then changed her mind about Dalny to this extent, that she

recognised the claims of New-chwang to be at least a secondary terminus of the railway and a complement of Dalny. As usual, luck had favoured her, and New-chwang reverted to her like an unexpected legacy. Already at a public dinner a Russian officer has declared that where the flag has once been raised it cannot go down again. Nevertheless, Russia does not want to fight, and she would surrender the port to-morrow rather than be attacked by three nations. Only let it be understood, and repeated again and again, that we gain nothing in the long run by the restoration of the treaty-port; it must eventually come under the sway of the rulers of the country behind it. It can only be a weapon in our hands to gain our ends elsewhere in China proper. There is a danger of our chasing the Russians away from the port and then folding our hands and congratulating ourselves on a diplomatic triumph.

While dealing with the economic situation a word must be said about the work of the Russo-Chinese Bank, which, next to the railway, or possibly before it, is the great political and economic factor in this part of the Chinese Empire. For a layman to discuss ever so humbly the financial system of China is almost foolhardy. Yet there is this about Manchuria, that one is met there by fewer intricacies and difficulties than in China proper. Away from New-chwang and the jurisdiction of the Imperial customs the tael, the protean unit which is so baffling in the rest of China, can hardly be said to exist. In China proper there is a sort of weird bimetallism of silver and copper cash. In Manchuria the *diao*, or

string of cash, is the only real standard of value. Silver is used for purposes of exchange, but only at its market value, like other commodities. The Kirin dollar has, indeed, been introduced, and the Governor-General of Kirin has actually ordained a fixed rate of exchange, or at least a minimum rate, which resembles the mystic sixteen to one of the Western bimetallists; but so far his attempts to establish an arbitrary ratio have not been successful, and the Kirin dollar only floats on the outer edge of Manchurian finance. The real unit and standard is the *diao*, and the ordinary currency for anything above retail transactions consists of *diao* notes issued by the various merchant houses of the country—the issue being nominally limited to the paying capacity of the firms, but in reality uncontrolled.

In such circumstances no stable system of finance is possible. Even if the *diao* had a fixed value, there would be no fixity about the paper money in circulation; but when it is considered that the *diao* varies to an enormous extent, according to the size and purity of the cash in each district, so that in Kirin two *diao* go to the rouble, while in Tieh-ling the exchange varies from eight to ten, one may have some faint notion of the financial chaos of the country. As a rule, the merchant's paper is slightly depreciated, and sometimes a firm's credit is so low that its notes go begging.

Such being the state of things, the paper rouble had only to come and to conquer. At first the Russo-Chinese Bank was careful to redeem its notes as often as possible in order to establish confidence,

but now that is no longer necessary, and the rouble is gradually becoming the medium of exchange for all large transactions. Indeed, the Russo-Chinese Bank might push its paper to a larger extent than it does until the rouble completely ousted all other kinds of money, just as the Japanese yen has conquered the whole field in Korea. The same causes in both countries bring about the same results. Paper money, which is rarely, if ever, counterfeited, and is easily redeemable, is sure to become popular in a country where transport is difficult and expensive, and where concealment is of the first importance. Thus it comes about that in China the greatest law of Western finance does not hold good, for here it is the good money which finally drives the bad out of circulation.

The experience gathered in Korea and Manchuria in this respect goes to prove that it would not be difficult to revolutionise the whole desperate monetary system of China, for it proves conclusively that the conservatism of the Chinaman is often only skin deep, and is frequently fostered for the foreigner's own ends. In reality, the Chinaman is not at all averse from innovations if you can demonstrate their utility. His rice-bowl and chop-sticks and travelling-cart are not due to his primitive simplicity, but are rather the fine residuum of civilisation. He gave up inventing a thousand years ago, having apparently worked out the inventive vein; but the quickness with which he takes to railways and telephones and convenient forms of money shows that he only lacks initiative. The conservatism of the

Englishman, for instance, is of a more immoral kind, for, though he does undoubtedly possess the power of invention, he still adheres to ancient absurdities, such as our system of pounds, shillings, and pence and our weights and measures, which are not a whit less ridiculous to the eyes of the outsider than the varying taels of China or the fourteen thousand characters in Giles's Dictionary.

If the truth must be told, reform in Chinese currency, so sorely needed, is opposed not only by ignorant officials, but also by the very foreigners who laugh at the conservatism of the Chinese. The horrid intricacies of exchange at the Chinese ports are simply a mine of wealth to the foreign banks, which bleed their customers at every point; and, generally speaking, when you hear a foreign merchant in China expatiating on Chinese custom and the difficulties of overcoming it, you may safely wager that it is not to his advantage to overcome it.

My precocious young friend in the bank at Tiehling actually asserted that he intended to introduce the tael into Manchuria as much as possible because it facilitated banking. It would be equally wise to talk of introducing slavery into the State of Massachusetts. But he was an irresponsible person, and not characteristic of the bank. To give the bank its due, it appears to be conducted with greater skill in Manchuria than in the rest of China, and that is saying a good deal. If one is inclined to find fault with its lack of enterprise in the currency question, one must admit that it has already worked wonders, and at best it is dangerous for a layman to

venture on any criticism in such matters. In the bank there is little race prejudice; Englishmen, Scotsmen, Germans, French, Hungarians, Portuguese, and Chinese are to be found among its employees, and the fact that at least four important branches in the East are managed by British subjects is sufficient proof of its broad-minded policy. As a field for enterprise, Manchuria is already at its feet, and it has not been slow to make itself a great civilising factor in that country.

CHAPTER X

TRADE QUESTIONS

So much has been said and written about the Russian occupation of Manchuria that it may be as well to form some definite idea of what Manchuria means to the world of commerce. Up to the time of the Boxer Rising the three Eastern Provinces afforded an open market of increasing importance to manufacturing countries. A foreign trade of seven million pounds sterling may seem an inconsiderable trifle in comparison with the monster way-bills of modern commerce. But it does not require great powers of reasoning to understand that the great trading nations, like Great Britain, depend for the prosperity of their export business upon a number of, comparatively speaking, small customers, and if they once begin to neglect the small customers their trade will dwindle. And to Great Britain especially, as long as she adheres to her Free-Trade policy, it is of the utmost importance to see that the open markets of the world should be increased rather than diminished in number. On the face of it, therefore, our aim should be to preserve the open door in Manchuria.

Unfortunately the question cannot be reduced to such simple terms as that. To begin with, we might

have to fight Russia in order to prevent her putting up a tariff wall round her new acquisition, and then we should immediately have to decide whether our share in this trade of seven million pounds is worth a costly war of which the issue cannot be foreseen. On this point our Government has plainly made up its mind. We will talk a good deal and even threaten, but we will not fight. But, short of fighting, it is still possible to organise a combination of ourselves and Japan and the United States which would be strong enough to bring Russia to terms without actually firing a shot. This could only happen if these three Powers are convinced, each and severally, that a share in the trade of Manchuria is worth struggling for. About Japan's views on the subject there can be no doubt. She has both commercial and political reasons for opposing Russia to the utmost. Our interests in the matter, like those of America, are mainly commercial, and we still have to decide whether Manchuria, even when furnished with a protective tariff set up by Russia, may not be a more profitable customer than a free Manchuria under Chinese rule. Let us remember that, until the Russians came to Manchuria, the vast area of the three Eastern Provinces was almost closed to foreign travel, and was certainly preserved against foreign exploitation of any sort. The enormous potential wealth of the country, and especially its agricultural products, could only be brought to the one seaport by road in winter or by the Liao River in summer. Both were most inadequate as channels of trade, and were subject to the

system of brigandage, which had in the course of centuries been reduced to a fine art. Under such conditions the foreign trade of Manchuria could never be more than insignificant. So true is this, that the United States, which already before the Boxer Rising had secured the chief share of the trade in cotton goods, had no consular representative in Manchuria, and seemed to possess very little information about the possibilities of future development. When I visited New-chwang in 1901, the United States Government had just appointed a consular representative to that treaty-port, who was immediately impressed with the enormous possibilities of Manchuria as a producing country, and the interest taken by the United States Government in Manchuria dates from the arrival of his first despatch. Before that time the fullest credence had been given in Washington to Russian promises, and British incredulity was attributed to our invincible hostility towards Russia. Until Mr. Millar went to New-chwang very few people in America can have been aware that the cotton manufacturers of the Southern States sent piece goods to Manchuria valued annually at something approaching five million dollars. Manchuria was, and still is, the one port of the Chinese Empire which distinctly prefers American piece goods to the products of the Lancashire looms. Now a business amounting in value to nearly one million sterling cannot be lightly set aside by the cotton manufacturers of America, even if it arouses little enthusiasm in the American people at large. Hence it is that the attitude of the American Government towards

the Manchurian question has quite changed in the last year or two, and we find Mr. Hay clamouring for the opening of new treaty-ports in Manchuria and the appointment of foreign consuls.

Great Britain must, of course, concur in the American point of view, yet we may be excused if we regard with some amusement this suddenly awakened interest. Whatever our Government may have been about, it has, at all events, been apparent to every English writer on the subject for years past that nothing short of war could keep Russia out of Manchuria; in fact, Russian occupation was almost taken for granted by the leading organs of the English press even before the Boxer outbreak. The American press, on the whole, either left the subject alone, or preferred to lecture us upon our prejudices, while the American Government confined itself to platitudes. Now, at last, they have discovered the true position of affairs when the game is as good as finished. By a great effort the result might possibly be altered at the eleventh hour; but is the game worth the candle? That is a question to which Mr. Hay has not yet been able to find a satisfactory answer.

The total trade of Manchuria, coming within the cognisance of the Imperial Customs, amounted in 1899 to £7,253,643. This was a record year in the trade of China, and especially in the annals of Manchuria; still, it might be taken as fairly representative of what the foreign trade of the country ought to be under normal conditions. Indeed, it was freely prophesied that the year 1900 would

produce a larger total. In that year the Boxer Rising upset all calculations, and since then the total of 1899 has not been equalled. In 1901, when a great deal of the business properly belonging to the previous year was included in the figures, the respectable total of £6,251,283 was reached, but in 1902 the returns gave only £5,549,977. Even this total was higher than the average of the last five years, which is perhaps a better standard to go by than a single record; yet the decline from 1899 gives colour to the assertion often made that Russian occupation is ruining the foreign trade of Manchuria. To prove or disprove this assertion is a matter of great importance to all parties concerned; for, however much we may object in theory to the partial closing of the Manchurian ports, we might still find that the railway development and the exploitation of minerals, and the more settled form of government introduced by the Russians, would amply compensate us for any advantage they might take to themselves by setting up a differential tariff or by bringing Manchuria within the sphere of the regular Russian tariff.

A little examination will show that the figures of the last three years prove very little either way. The total of the foreign trade for 1902, though showing an apparent decline, may really be regarded as rather satisfactory. I have already pointed out that the figures for 1901 were swollen by the trading transactions which belonged properly to the year of the Boxer Rising. For example, hardly any of the bean harvest of 1900 found its way to the port until

the summer of 1901, owing to the increase of brigandage on the river. The probability, therefore, is that there was no real falling off at all in the trade of 1902 as compared with that of 1901. There is also this to be considered, that, even with the extraordinary conditions of the year 1901, the actual bulk of the trade recorded in 1902 was greater than that of 1901, but the sterling value was lower owing to the great drop of 11 per cent. in the value of the tael. In other words, if we look at the Customs returns, which are given in Haikwan taels, we shall find that the silver value of the trade of 1902 was 42,692,135 taels against the 42,262,209 taels of 1901.

Then there is still another point which must be taken into consideration. In 1902 the port of Dalny was partially open to commerce, and the railway from Dalny and Port Arthur to the north was in fairly good working order. Consequently a certain amount of the trade which would in other years have gone to New-chwang went in 1902 by way of Dalny or Port Arthur. There is no method for discovering the amount of this trade, because no duties were collected upon it and no figures are available. But it is quite certain that there was a small divergence. For example, whereas American oil, valued at £51,201, was brought into New-chwang in 1901, the amount was reduced to £15,416 in 1902, because a large quantity of Russian oil was imported by way of Dalny or Port Arthur instead. Again, silk figures to a smaller extent in the export trade of New-chwang, because that commodity now leaves the country by way of the Liao-tung

peninsula. And so in many small items it may be shown that the new trade channel afforded by the Manchurian railway and the new port at Dalny, though it has hardly yet been discovered by the Chinese, is beginning to have its uses and must very soon alter the whole conditions of Manchurian commerce. Indeed, allowing for the fall in the price of silver and the unknown quantity of the Dalny and Port Arthur trade, it is not too much to say that the bulk, if not the sterling value, of the whole foreign business of Manchuria has almost returned to the high water-mark of 1899. And this is true in spite of the fact that the whole country was upset by the Boxer Rising of 1900, was further afflicted by a serious flood in 1901 which ruined half the crops, and is still suffering from the excesses of the brigands, whose ranks were so swollen by the disbandment of the regular Chinese troops in 1900. In a word, if the Russian occupation has stopped the rapid growth which was visible in the five years up to 1899, there has at least been no retrograde movement of any consequence.

But what was it that gave rise to the great expansion of trade in Manchuria in the last five years of the nineteenth century? Candour compels us to admit that the great factor in this expansion was the presence of the Russian Government as railway builder and concessionnaire. To begin with, over half a million pounds worth of railway material, which was imported by way of New-chwang in 1899, is no small item in a trade of seven millions sterling. But that is only a small, though concrete,

example of the stimulant given to the imports by the building of the Russian railway. The demand of so many Russian officers and so many Russian engineers for foreign goods must have added a little to the list of imports, and the spending of millions of roubles in the country on construction works must have increased the purchasing power of the Chinese themselves to a very great extent.

It is a fact requiring very little demonstration that before railways were begun in China the foreign trade of the Middle Kingdom had reached a limit beyond which it could hardly go. It was shown indeed very clearly by Mr. Taylor, the able statistician of the Imperial Customs, that the sterling value of the foreign trade of China had remained almost stationary during the last decade of the nineteenth century, although the general public had been blinded to this fact by the system hitherto prevailing of giving the Customs figures in taels only, and so showing an apparently constant but really fictitious increase. The only year that showed a genuine advance was the record year of 1899; and I remember pointing out in an article written in 1901 that this advance was directly attributable to the building of railways; for it was chiefly observable at Hankow, Tientsin and New-chwang, treaty ports which were particularly affected by railway exploitation. It is obvious enough that in a country like China, where there has been no educational or industrial development in the last five centuries; where population, as far as we can discover, tends to decrease rather than to increase; where the

mineral resources are still barely scratched on the surface as they were in the days of the Mings, the possibilities of foreign commerce are strictly limited, and depend largely upon the cost of transport. The limit was soon reached after the establishment of the treaty-port system and the development of ocean transport by steamer. Nothing further can be done until railways are built and the mineral wealth of the country is exploited, the latter process being dependent on the former. So far we have had examples of railway development in Chih-li and Manchuria, and more recently still in the case of the Lu-han railway and the German railway in Shantung. And any increase in the foreign trade of China in the last few years has been directly attributable to the building of these railways. The conclusion is, that the Russian Government by building the Manchurian railway—and to a much smaller extent the British Corporation by building the Shan-hai-kwan or New-chwang line—was responsible for the rapid development of the trade of New-chwang, which had its climax in 1899.

The Manchurian Railway has been belittled by many people—mostly British—and to a certain extent even by Mr. Hosie, who, in writing his Consular Report for 1901, argues that a single line of railway from Kharbin to Dalny can never carry half the produce that the rich country affords. He also, like most travellers over the line, expatiates upon the dreadful delays and want of punctuality. In answer to these strictures it is only necessary to point out that it is exceedingly unfair to criticise

too closely a railway in process of construction. Considering the date of the concession, and all the troubles which followed so soon upon the commencement of the work of construction, the wonder is not that it took thirteen hours to accomplish the railway journey from New-chwang to Dalny in 1902, but that it was possible to make such a journey by rail at all. And already that complaint is obsolete, because a regular service has now been established over the whole line from Dalny to Moscow, and the running time in Manchuria is most satisfactory. Most British engineers make such premature criticism impossible by prohibiting all passenger traffic on railways in their construction period. And when it is urged that a single line is an inadequate means of transport for such a rich country, surely the critic may be convicted of looking upon all Russian undertakings with rather a jaundiced eye. In what new country in the world has a double line of railway ever been built upon virgin soil? It is indeed a tribute to the richness of Manchuria to suggest that the Russians should have done what has never been thought of anywhere else in the world, and should have laid down 2000 miles of double railway where a railway never previously existed. In the peculiar circumstances of the case such a course was quite out of the question, for strategic reasons if for no other. It was absolutely essential, in order to fortify themselves in Manchuria, that the Russians should establish railway communication between Kharbin and Vladivostok and Port Arthur. Until that communication was secured Port Arthur was in the air,

and liable at any moment to succumb to a *coup de main* on the part of Japan. Now that the single line is completed the whole situation is altered, and the Russian Government may contemplate the doubling of the line at its leisure. But this does not alter the fact that the railway can already handle an enormous volume of trade whenever the trade is forthcoming. Large tracts of agricultural land which before were too far from the Liao or its tributaries to use water-transport are now furnished with direct railway communication with the sea. Adopting the most conservative point of view the exporting power of the country has been doubled, and the purchasing power correspondingly increased. If it is argued that the trade reports do not as yet give any proof of such an increase, it must be pointed out in reply that the Liao river is still more infested by brigands than in normal times, and the railway has only just been opened to regular traffic. It will take a year or two yet before the brigands are exterminated, and the Chinese grain merchants have awakened to the full value of the railway.

Furthermore, there is this to be said for the Russian Government, that it has put a stop, as far as Manchuria is concerned, to the absurd embargo upon the export of food-stuffs, and millet now appears in the list of exports. If the Russians remain in power Japan will in future draw largely upon this field of supply.

Taking everything in consideration, therefore, it requires very little argument to show that, other things being equal, the foreign trade of Manchuria

should profit enormously by Russian occupation and Russian railway development. The only question is whether other things will be equal or not. In other words, will Russia hinder the trade which she has created by putting up tariff barriers to suit herself? If she does not set up such barriers, her presence in Manchuria must be of a beneficent nature. She has already shown what she can do in the way of opening up rapidly new means of communication. She has yet to show that she can make peace in the country. I have already described her methods of dealing with the brigand scourge upon the river. These methods can hardly be called satisfactory. Nor has she been altogether successful in other parts of the country—away from the railway and main routes such as that from Liao-yang to the Yalu river, the country is very unsettled and generally speaking in a bad state. The Chinese provincial governors have been deprived of their armies and furnished instead with ridiculously small police forces which are not kept up to strength ; they are, therefore, incapable of dealing even as well as they used in old times to deal with the brigand question, and that is saying very little. On the other hand, the Russians have been too busy with their railway and with their main strategy to pay much attention to the removal of the robber bands. Their main object is to protect the railway, which they do very efficiently with Cossack posts at intervals of five versts all along the line. They only lend protection to the bean boats on the river because it is to their advantage to keep up the local revenue of

New-chwang. But it does not follow in the very least that they cannot crush the brigands if they like to do so. It would be a perfectly simple matter, for example, to protect the river by Cossack posts as they protect the railway, only it must be remembered that the Russians can have no particular desire to pacify, at great expense, a country which they are told they must evacuate. Moreover it is useful to hold the brigands as a sort of threat over New-chwang. If the river were completely abandoned to the brigands the export trade of New-chwang would be ruined, and all the beans would have to go by rail to Dalny. This would be an extreme measure and doubtless a reprehensible one, but it is nevertheless a measure which it may suit the Russians to keep in reserve. Once their position in Manchuria is recognised and they are confirmed in their administration of New-chwang, they will be free to turn their hands to the pacification of the country, and they will make very short work of the wily Hun-hu-tze.

Supposing, then, that Russia is allowed to carry out her work of civilisation of Manchuria in her own fashion, and no obstacles are put in the way of her effective control of the administration of the country and the development of her railway system, can any one doubt that, provided no restrictions are put upon the foreign trade, that trade must increase year by year? The railway itself ought to double the trade of the three Eastern Provinces in the course of the next five years, and the thorough crushing of the brigands should give such a stimulus to com-

merce that the seven millions of 1899 may very well be increased to twenty millions in 1909, especially if the mineral resources of the country are scientifically worked. And is not that a prize worth considering? It is impossible in the nature of things to trace all the foreign imports to their original sources, because so much comes from Hong Kong or Shanghai, and, with the exception of Japan, there is no foreign country that does any direct trade worth considering with Manchuria. But roughly speaking, we have about 25 per cent. of the import trade still, in spite of the fact that our American rivals have secured the major part of the trade in cotton goods; and there is no reason why we should not retain that proportion as long as our goods are not excluded by tariffs. And so the whole question resolves itself into this: will Russia maintain the open door in Manchuria or not? Time alone can furnish the answer. But judging from past experience we are justified in saying that she will only keep the ports open as long as it suits her own policy to do so. For many years after the acquisition of the Primorsk Province no attempt was made to close the port of Vladivostok, for the simple reason that Vladivostok could not possibly draw its supplies from Russia. An attempt was made in 1901 to apply the regular tariff to Vladivostok, but it was soon found to be impracticable, and so the tariff has been reduced. A similar course will doubtless be adopted in Manchuria. The Russian Government is not opposed to commercial development; on the contrary, commercial and industrial development is the watchword of the forward party

in Russia, though the steps taken to secure that development are such as we should generally consider unsound. Hence we may expect to see every means of exploiting Russian trade adopted in Manchuria, but not, at first at all events, anything in the nature of prohibition of foreign imports. To any small advantages given to Russian manufactures, however much we may be opposed to them in theory, we need raise no serious objection because our manufactures and those of Japan and America must always hold their own in a market that is practically open. For example, Russian goods have theoretically been given a reduction of 30 per cent. if they enter Manchuria by rail—in point of fact they have never yet paid any duty at all. But as no manufactured goods coming from Russia by rail could compete with sea-borne articles of the same description, the preference given is only nominal. But supposing that in the course of the next ten or twenty years Russia so asserts her authority in Manchuria as to incorporate that vast territory in the Russian Empire, what is to prevent her applying a prohibitive tariff to the Manchurian ports? And what engagements entered into now would be of the slightest value then? To try and prevent her closing the ports when Manchuria is part of Russia would be as futile as to endeavour to do away with her tariff regulations in the Caucasus. Did not Russia enter into a positive agreement with the Powers not to fortify the port of Batoum, and is there one of the Powers which dare now object to the fortification of that port, which is being strengthened

year by year? We may, of course, take the easier line of believing Russia when she tells us that she will always maintain the open door in Manchuria, or we may, at all events, trust to the wisdom of future Russian finance ministers. But to put our trust either in Russian promises or Russian finance ministers is a course which is almost certain to lead to disappointment. And yet we obviously cannot or will not go to war with Russia on our own account in order to vindicate our rights in Manchuria; nor will America do so, nor will Japan. So far we have confined ourselves to diplomatic representations which we know to be worth no more than the paper on which they are written, unless they imply a resort to arms in the last instance. It is true that America has been lately rather more successful than we have been. As I am writing these lines, it is announced that Russia has at last allowed the Chinese to consent to the opening of at least two new treaty ports in Manchuria, probably Mukden and Ta-tung-kao. This, of course, is merely a promise which may never be fulfilled, and the added information that the ports will only be opened in September of 1903 when the evacuation of Manchuria is effected, lends an air of unreality to the whole undertaking. But let us take it for granted that the treaty ports are opened in September, or at any other time, what, finally, has been gained? No one supposes that Russia is going to close the ports of Manchuria immediately, and, that being so, it really does not interfere with her plans very much to have open ports at Mukden and Ta-tung-kao.

She has already shown what she can do with a treaty port by administering New-chwang and collecting the revenue there for three years against the protests of all other nations concerned—Germany excepted. The existence of treaty ports does not make any great difference when the time comes for action. Japan, for example, was not prevented from annexing Formosa by our treaty-port rights in that island.

The opening of Mukden and Ta-tung-kao or any other ports in Manchuria is only a very small move in the right direction, and small as it is, Russia would never, probably, have consented if it had not been pressed for by both Japan and America. And this brings us to the only solution of the whole matter, which is, that to counteract the hostile influence of Russia, a strong combination is required on the part of the three countries directly interested. Germany should, properly speaking, make a fourth; but Germany is not only subservient to Russia, but she is playing a game of her own in China which is not at all consistent with an open-door policy. Moreover, the three other Powers are quite strong enough to carry out their wishes in the East as long as they are agreed as to the basis of their common policy. Japan, America, and Great Britain all honestly, and without reserve, desire the open-door policy in China, but hitherto they have not seen the necessity of complete unity of action in carrying that policy to a successful issue. Each has been afraid, and especially, perhaps, America, that a regular alliance would involve one or possibly two

of the three Powers in a war which was only desired by the third. I shall endeavour to show in another chapter that the end aimed at could be attained without any serious danger of a war. In fact, the one thing which could remove the constant state of inflammation in the far East, would be a triple alliance of the three Powers named directed towards the maintenance of the open door in China.

CHAPTER XI

THE EVACUATION OF MANCHURIA

EVER since the Boxer Rising of 1900 the Russians have been in possession of the three Eastern Provinces of China which in the outside world go by the name of Manchuria. Their troops are in occupation of the country, they give their orders to the Chinese officials, and they have collected the revenue at the port of New-chwang, which by treaty with the Powers is open to all the world. Even before the Boxer Rising Russia had acquired a footing in Manchuria, which was destined to lead to final annexation. In 1897 she had obtained the concession for the Manchurian Railway along with the right to police the line with her own troops; the following year she leased Port Arthur, the stronghold which commands the Gulf of Pechili; and in 1899 she entered into an agreement with Great Britain whereby Manchuria was ascribed to her as her special sphere of influence. But it was the Boxer Rising which provided the great opportunity, and the Russian Government was not slow to accept from the hand of fate a prize which in other circumstances could only have been won by years of diplomacy. The stars in their courses were fighting for the Tsar. America, the power whose

commercial interests in Manchuria were of the highest order, had hardly awakened to a due sense of her responsibilities in the Far East; England was sorely hampered by the South African War, and was further weakened by the incompetency of her officials on the spot at the critical moment; Germany was, as usual, subservient to Russia, and Japan, with vital interests at stake, had to choose between a great war which, whatever the result might be, must cripple her resources for years to come, and a policy of acquiescence which left Russia a free hand as far as Manchuria was concerned.

The first indication of Russia's aggressive intentions after the Boxer Rising was given by the rather strange decision on the part of the Tsar's Government to withdraw all Russian troops as well as the Russian Legation from Peking almost before the peace negotiations had begun. The motive of this move was fairly apparent. Years before, when the French and English troops were in occupation of the Capital of China, the Russian Ignatieff had come forward as the friend and protector of the Manchu dynasty, had professed to act as mediator in a quarrel where at least one of the parties had not asked for his services, and as a reward for an intercession, which never really affected the course of negotiations, had obtained for the Tsar the Primorsk Province, with its great waterways, its long coast-line, and its fine harbour at Vladivostok. On the present occasion, although Russia had become more embroiled with China

through the Boxer Rising than any of the other Powers, although her troops had acted with unexampled severity, not to say brutality, in repressing the semi-national rising against the foreigner, she was not slow to make her appearance, as soon as negotiations began, as the protector of China against the Europeans. But she had her price. It was freely rumoured in Shanghai at the time, and subsequent events went to prove that in this case the proverbial Shanghai rumour was not altogether a lie, that Li-hung-chang had a private agreement with Russia, whereby Russia was to use her utmost efforts to obtain the withdrawal of the foreign troops from Chih-li, and in return was to have a free hand in Manchuria. The report was further put about that a similar offer was made to Germany, who was to acquire specific rights in Shan-tung as a reward for a similar withdrawal.

I have every reason to believe that negotiations with this end in view were going on in Shanghai during the autumn of 1900. Prince Outchtomsky, the head of the Russo-Chinese Bank, was in Shanghai in constant communication with Li-hung-chang; and M. Pokotiloff, the head of the bank in China, and Russia's most trusted agent in the East, came down from Peking to assist at the conclave. The result was that the Russian Minister did actually withdraw to Tientsin; and all the Russian troops, with the exception of the railway guard, were taken off to Manchuria, where their services were much needed. In carrying out her part of the bargain Russia had everything to gain and

nothing to lose. She had no particular object in keeping troops in Chih-li as soon as negotiations with the Chinese were opened, especially as the French Expedition was on the spot to represent the Dual Alliance. As for the withdrawal of her Minister to Tientsin, the step could only be a temporary one, because the presence of the Russian Minister was necessary in Peking as soon as the representatives of the Powers met to discuss peace terms. And so while Russia was posing as the protector of China, eager to relieve her of all military pressure, she was really only consulting her own convenience.

The tangible results of the negotiations between Li-hung-Chang and Prince Outchtomsky became more and more apparent a month or two later by the announcement of the Mukden Agreement, which was made in the *Times* at the close of the year. According to this agreement entered into by the Tartar general at Mukden and Admiral Alexeieff, Russia pledged herself to evacuate Manchuria on certain conditions, which practically made Manchuria a Russian dependency. This was the first of several written agreements which Russia has attempted to foist upon the Emperor of China down to the present year 1903, when proposals still more favourable to Russia have been the cause of much diplomatic controversy. It would be tedious and unnecessary to recite the exact terms of all these evacuation proposals, especially as the most recent form of the agreements embraces and amplifies all the others, and that I shall presently quote in full. The main

points have always been the right of Russia to assume the military control of the three Eastern provinces, and the power of excluding all other foreign influence in the shape of consuls or concession hunters. The military control has not, of course, been demanded in so many words; that, of course, would be contrary to the idea of evacuation. But as all military resources are taken away from the Chinese governors with the exception of a small police force, the military control of Russia is directly implied.

It is not altogether plain why the Russian Government desired to raise the question of occupation in a concrete form at a time when she was actually in possession and unchallenged. It is understood, of course, that the Mukden Agreement was a secret one, and would never have been published but for the activity of Dr. Morrison, the famous correspondent of the *Times*. Against this view it is only necessary to say that all such agreements must sooner or later become public property in a country like China, where the Government telegraph is as full of leaks as a sieve. The *Times* correspondent had only hastened events by a few weeks in publishing information which even the British Legation was sure to obtain in the long run. And after all the Mukden Agreement was only a more definite and localised embodiment of the understanding which was arrived at some months earlier in Shanghai by Li-hung-chang and Prince Outchtomsky. The probable explanation of Russia's action is that she intended to use the agreement as

a "ballon d'essai," and also as a means of accustoming the world to her position in Manchuria. Indeed, what at first blush looked liked a diplomatic blunder, was in reality a clever move.

The agreement could not land her in any serious difficulty with any rival Power, because it formally stated her intention of evacuating Manchuria. There was even a chance of the Chinese Emperor being allowed to ratify it, in which case the Russian position in the three Eastern provinces became to a certain extent legalised. On the other hand, if the Powers persuaded the Emperor to refuse his signature the Russians were no worse off than they were before, and they had accustomed the world to look upon their rights in Manchuria as at least different from those of any other nation. As a "ballon d'essai" the agreement was unexpectedly successful.

It will be remembered that a month or two earlier, in September of 1900, England had concluded an agreement with Germany whereby the territorial integrity of the Chinese Empire was guaranteed. Here was a splendid opportunity of testing the force of that agreement which, when it was made, was generally understood to have special reference to Manchuria. To the surprise and disgust of the British public the German Chancellor lost no time in making it abundantly plain that the agreement had nothing to do with Manchuria, where Germany had no particular interests to protect.

It is rather strange to look back upon this little episode, and to reflect that Lord Lansdowne, who talks so much nowadays about the loaded revolver,

took this blow "lying down" without a murmur. It is hard to conceive a greater piece of diplomatic impertinence. At the time some effort was made to show that the Anglo-German agreement only referred to China proper, in which the three Eastern provinces are not included. But such a contention could not hold water for a moment since all the territory of the Chinese Empire was brought within the scope of the document, and nothing at all was said about the eighteen provinces. The glaring fact remained that when the ink was hardly dry upon the Anglo-German Agreement, one of the first triumphs of Lord Lansdowne at the Foreign Office, the German Chancellor got up in the Reichstag and made an exception of Manchuria, which rendered the whole agreement a farce. Nor was that the only blow aimed at British interests in regard to this agreement. Count von Bülow went on to make it clear that if Germany had no interests in Manchuria she had very special interests in Shantung from which the agreement could not oust her, whereas she claimed a thorough equality with England in the whole region of the Yangtse Valley, which had been ascribed to England as her sphere of influence only a year before. In fact, the Anglo-German Agreement came to be known in Germany as the Yangtse Valley Agreement, because by some extraordinary device of German logic, it was supposed to secure Russia and Germany in their respective spheres, while it opened up the English sphere to all the world. Lord Lansdowne has since become such a valiant opponent of Germany when she brings

us Greek gifts of steel rails, that we must attribute his ready acceptance of Count von Bülow's extraordinary behaviour in this matter to the exigencies of the South African War.

In the present connection we are chiefly interested in the Anglo-German Agreement of 1900 in so far as it affected the Russians in Manchuria. The German Chancellor's wonderful interpretation of a simply worded document was remarkable for one or two reasons. To begin with, it completely justified the Russian use of the "ballon d'essai." The subserviency of Germany to Russia, as far as the politics of the Far East were concerned, was made abundantly clear. It was quite evident that Russia could go as far as she pleased in Manchuria without raising a protest in Germany. We, too, had at least learned a lesson through this ignominious rebuff. If we mean to carry out an open-door policy in China we must leave Germany entirely out of the question. We cannot trust her for an instant, and we ought never again to give her the chance of throwing us over. It is reasonable, moreover, to maintain that the conduct of Count von Bülow gave some colour to the report already mentioned that there was a sort of triangular agreement between Li-hung-chang and Russia and Germany, whereby the two European powers were confirmed in their respective spheres of influence. Such an understanding would be directly opposed to the policy of the open door which both Russia and Germany have from time to time acclaimed; but as neither power has ever attempted to carry this policy into practice in any other part

of the world, it need not be supposed that either sets much store by it in the East. On the contrary, both Powers have already begun the process of partition in China.

The first "ballon d'essai," then, was quite successful, in so far as it put Germany in her place. A second was sent up early in the course of 1901 in the shape of another Manchurian Agreement, which this time was enlarged in scope so as to include Mongolia in the Russian sphere of influence. This time we made a stronger protest, and even went so far as to admonish Liu-kun-yi, the aged Viceroy of Nanking, to oppose the Russian claims, thinking evidently that we could do more by stirring up the Yangtse viceroys than by vain appeals to Li-hung-chang, who was once more enthroned in power at Peking, and was working hard to satisfy his Russian protectors. Among the educated Chinese the feeling against Russia was growing so strong that a mass meeting took place at Shanghaî, in the course of which, if I remember rightly, a young Chinese lady addressed the multitude. However interesting this event might be, in marking a step in the social progress of China, it had no effect whatsoever on the Russians, who were quite capable of rating the popular feeling of the Treaty Port Chinese at its true value; the fact being that if one thing is more calculated than another to persuade the Chinese Court to adopt a proposal, it is opposition to that proposal on the part of the Treaty Port Chinese. What really was important to Russia at this juncture was the attitude of the Japanese. The Man-

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churian Railway was not yet completed; Russian troops were marching into Manchuria every day, but reinforcements were still needed to strengthen the Russian position, and the Russian fleet was, of course, greatly inferior to the Japanese. If ever Japan was going to fight Russia over the occupation of Manchuria, she had her chance in the early part of 1901.

What actually happened was that the Japanese people and press talked a good deal about war, but the Government, face to face with a financial crisis, with a military and naval programme still uncompleted, steadily refused to give the reins to popular sentiment. The real statesmen in Japan knew that a war to recover Manchuria could not end successfully if Japan had to fight Russia single-handed, and they also knew that neither England nor America would be more than neutral in such a struggle. But when Russia intrigued in Korea, and during the summer of 1901 attempted to get a concession at Masampho, the attitude of Japan became much firmer, because in such a quarrel she knew that she would be fighting upon her natural element, the sea. Besides, in Korea Great Britain showed her willingness to give Japan her hearty support, as was proved by the history of the French Loan, which I shall come to in another chapter. But as far as Manchuria was concerned, our Government felt that there was nothing to be done beyond bringing the usual ineffective diplomatic pressure to bear.

We had, it is true, the very best grounds for action. Russia was not only attempting to force

her Manchurian Agreement upon China, but she was still in occupation of the Treaty Port of New-chwang, in direct defiance of all the other Powers. Of course she pretended to justify her occupation by pointing to the foreign garrisons in Tientsin and Shanghai, but there was no parallel between the different cases. At Teintsin and Shanghai the foreign garrisons were international. At New-chwang the Russians alone were in possession, and they were using the local revenue for their own purposes. There was not even an excuse on the grounds of military expediency. The foreigners in New-chwang were as safe as they could have been in Hong-Kong, and it is a curious fact that the Treaty Port of New-chwang was the only place in the whole of Manchuria—the purely Russian town of Kharbin excepted—where it was thought necessary to take the local administration out of the hands of the Chinese or to collect the local revenue.

There was no end to Russian promises of evacuation. When I left New-chwang in the summer of 1901 I was assured by the British Consul that he had the best news from Peking, and the Russians would certainly go before the port closed for the winter. That was two years ago, and the Russians are still administering the port and still promising to leave it.

The result of these events was to bring about the Anglo-Japanese Alliance of 1901. Englishmen who had travelled in the East had long advocated a definite understanding between ourselves and Japan as the readiest means of establishing an equilibrium

in the affairs of the East. The Government at home had generally adopted the view that such an understanding was unnecessary because Japan was our protégé in any case and was bound to follow our lead. The Japanese understood this view and resented it, because they knew very well that without a written agreement Great Britain would never move a finger to extricate Japan from danger at any great cost to herself. There was no getting away from the fact that we had allowed Japan to be turned out of the Liao-tung Peninsula and we had sat perfectly still while Russia annexed what Japan had legitimately won by conquest.

If we could permit such aggression in Manchuria we might equally acquiesce in a Russian occupation of Korea, which would level the most deadly blow at the independence of Japan. We were growing supine in the East and our support was worth very little to any one. I remember very well discussing the subject with one of the cleverest of the younger Japanese diplomats in the summer of 1901, and he told me quite plainly that we had only a few months longer in which to make up our minds. Either we must come to a definite understanding with Japan or we must be content to see her go over to the arms of Russia. Neither from a financial nor a political point of view was the position of Japan any longer tenable. She was daily incurring the risk of a war with Russia in which her people would look, but would probably look in vain, for the moral support of Great Britain. Unless she could have the written assurance of such

a support, the mere promise of which would largely obviate the danger of war, she must make the best terms she could with Russia and leave England out of her calculations. This was a very fair statement of the case, and I have no doubt that it was put at least as strongly to Lord Lansdowne that same autumn, with the result that the Anglo-Japanese Alliance became an accomplished fact.

The consummation of this alliance has done much to restore the balance of power in the East. If it does not commit us to much it at least defines our obligations and ensures our acting up to them. And on our side we have gained an ally whose political integrity is certainly equal to that of any Power in the world and whose co-operation is worth far more to us than a thousand Anglo-German Agreements or Anglo-Russian understandings. We can trust Japan, which is more than we can say for either Germany or Russia. And Japan can trust us—when she has our bond in writing.

But, as we are chiefly interested for the moment in the Manchurian Question, it must be clearly understood that the Anglo-Japanese Alliance came after the virtual annexation of Manchuria by Russia and it is not retrospective. Russia would never have been in occupation of Port Arthur if the Alliance had been achieved three years sooner. Unfortunately we cannot blot out the events of those three years, and whatever Lord Lansdowne may have said in a general way about the integrity of the Chinese Empire, he must have given the

Japanese ambassador very clearly to understand that we, at all events, would never go to war to turn Russia out of Manchuria; nor could the obligation arise, because we are only bound to fight if Japan is attacked by two Powers; and as Russia is quite able to hold her own single-handed in Manchuria, she would not be likely to invoke the help of her ally, France, at the risk of dragging Great Britain into the quarrel on the side of Japan. The Anglo-Japanese Alliance deals only with the present and future. It will have a definite influence upon the fate of Korea; but it cannot affect the political future of Manchuria.

In the meantime Russia, though she can hardly have found the alliance to her taste, has gone steadily on her way in Manchuria. Three years after the Boxer rising she is still in occupation of the country, and she evidently means to stay there. But her position is not quite unquestioned even now. The summer just passed has seen a recrudescence of the Manchurian Question in an acute form, with America as the chief opponent of Russia.

Ever since March of 1901 Mr. Hay has kept up a vigorous diplomatic assault upon the Russian position with unfailing, if somewhat belated, ardour. It was not until 1901, as I have elsewhere pointed out, that the United States awoke to their responsibilities in the Far East, and especially in Manchuria. It was only in 1901, for example, that they appointed a consular representative to New-chwang, and began to take a real interest in the trade of the country. Their object ever since then has been to guarantee

at least the commercial integrity of the Chinese Empire, and as a means towards this end they have been pressing China to open new treaty-ports in Manchuria to the world's trade. The Russian Government, as may be readily understood, has no intention of opening Manchuria to the trade of the world more than is absolutely necessary. Hence new steps were taken to fasten an agreement upon the Chinese Government which would legalise Russia's position in Northern China. As this agreement amplifies and embraces all the other abortive proposals of the last three years, I give the text in full as it appeared in the columns of the *Times* on May 5, 1903 :—

The preamble begins by stating that by command of the Imperial Government the following communication is sent : Russia and China have been friendly neighbours for more than two centuries. They have a conterminous frontier for 3000 miles. The interference of strangers in these mutually friendly relations would impair them, impeding a friendly settlement of affairs. Therefore Russia considers it her duty to guard them against alien interference, especially as affecting Manchuria. There Russia has sacrificed thousands of lives and millions of money in order to pacify the country and restore the Chinese lawful authority. By right of conquest Russia could annex the country ; but she is unwilling to profit by this, and, as in 1881 she returned Ili to China and last year the portion between the Great Wall and Niu-chwang, so now she will restore Mukden and Kirin provinces and Niu-chwang

treaty port, provided China gives the following pledges:

1. No portion of the restored territories will be transferred under any form to another Power. If this is evaded, Russia will take the most decisive measures.

2. The present administration of Mongolia shall not be disturbed, because, if it were altered, the people would be disquieted and complications would ensue along the Russian frontier.

3. China will undertake not to open new treaty-ports in Manchuria or to permit new Consuls without the previous assent of the Russian Government.

4. Should China desire to employ foreigners in any branch of her administration, their authority shall not extend to affairs in North China, where Russian interests predominate. There they shall be entrusted to Russians only. For example, if foreign mining advisers are engaged, their authority will not extend to mining affairs in Manchuria or Mongolia, for which Russian advisers must be appointed.

5. Russia will retain under her own control the existing telegraph line between Port Arthur, Niu-chwang and Mukden for the whole period of existence of the Pekin-Niu-chwang telegraph line, of which it is a necessary prolongation.

6. After the restoration of the Niu-chwang Chinese administration the Russo-Chinese Bank will continue as at present its functions as a Customs bank.

7. All rights acquired in Manchuria by Russian

subjects during the occupation shall remain in force after the evacuation.

Finally, there is a long clause as epilogue, stating that Russia, being responsible for health along the railway, requires the continuance of the present effective sanitary board. It is, therefore, indispensable that the Customs Commissioner and the Customs doctor shall be Russians. The sanitary board must consist of these two officials, a Customs taotai, the Consuls, a bacteriologist, a representative of the Russian railway, and a taotai to find the requisite funds.

Whenever an official reply is received giving assent to the foregoing conditions Russia will withdraw from Mukden, Kirin, and Niu-chwang.

The document bears the signature of M. de Plançon, and is dated April 5 (18).

These are the final conditions upon which Russia has promised to evacuate Manchuria. The document is interesting, not only for its intrinsic merits but for the circumstances in which it became public. As so often happens in China, the gist of the proposals leaked out before the exact terms became public property, and were telegraphed to the *Times* in April. Immediately Russian ambassadors and the Russian semi-official press waxed indignant and denounced the first reports as "pure fabrications." The Russian Foreign Office even went so far as to assure Mr. Hay that the terms as given were "absolutely incorrect," and that such a document had never been presented. It is impossible to conceive a case of more bare-faced diplomatic

lying—there is no other word for it. At the very moment when the Russian ambassadors in Washington and London were denying the existence of such proposals, and Count Lamsdorff was assuring the new American ambassador in St. Petersburg that Russia had not the slightest desire to prevent China opening new ports in Manchuria, Prince Ching actually had the document, signed by M. Plancon, the Russian Chargé d'Affaires, in his yamen at Peking. And all the Russians could do, when this document was finally disclosed, was to pretend that M. Plançon had no authority to act in the matter. The whole conduct of these negotiations was foolish in the extreme, because it thoroughly disgusted America with Russian aims and methods. Up to the present year the tendency of the American press had been to put a good deal of faith in Russian promises and to lecture us from time to time upon our prejudice. Now the real impossibility of trusting Russia became glaringly apparent. Not only was she caught red-handed in the most colossal prevarication, but she was convicted of having tried to bribe the United States into acquiescence in her policy by promises of special privileges in Manchuria. To the credit of Mr. Hay and the American press it must be said that the suggestion was indignantly and immediately repudiated. The *New York Tribune* represents American opinion very clearly when it says:

"Such an arrangement would be offensive to America. This country does not want exclusive privileges—it wants a fair field and no favour. It

does not want to sneak into Manchuria through a specially-prepared side door—it wants to enter through the front door open to all the world on equal terms. The United States took up from British hands and pressed to universal accceptance the policy of the open door to all nations on equal terms. It pledged itself to the maintenance of that policy to all nations. It does not desire now to enter into a bargain with any one Power for the repudiation of that policy, or to be associated with, or in any way profit from, such repudiation. What America wants in Manchuria and throughout China is not a new promise, but the loyal fulfilment of existing promises; not special privileges, but an open door to all lawful commerce."

The immediate result of the diplomatic representations which followed the publication of M. Plançon's proposals was that the Chinese ambassador at Washington promised to open two new ports at least in Manchuria and to admit foreign consuls. This result was hailed as a great victory for American diplomacy, but, unfortunately, the congratulations were premature, since Prince Ching, Russia's henchman at Peking, has told Mr. Conger that China cannot give her consent to the opening of the new ports; in other words, Russia has put her veto upon it, so it still remains to be seen what will happen. In the meantime, the Russians are pledged to evacuate Manchuria in September—that is to say, before these pages see the light. Whether they carry out this promise in form or not really matters very little. At the very moment when

they talk of evacuation they are adding barracks for 10,000 fresh troops at Port Arthur, and at best evacuation merely means increasing the railway guard and withdrawing the regular troops to places like Port Arthur and Kharbin. The terms quoted above show exactly what the evacuation of Manchuria means. Russia has made enormous pecuniary sacrifices in Manchuria and she has every intention of reaping her just reward.

CHAPTER XII

A VISIT TO SEOUL

THE summer of 1901, which saw the riveting of the Russian chains upon Manchuria, was also remarkable for a series of intrigues which turned the gaze of Europe for a moment to the little Empire of Korea. Seoul is much more accessible to-day than it was only a few years ago, when the present Viceroy of India visited and described the capital of Korea. There is an excellent service of Japanese steamers running between Nagasaki and Taku, which call at Fusan and Chemulpo, making a delightful tour—if there are no cyclones—through the picturesque Korean archipelago; and Seoul is now joined to the port of Chemulpo by a railway which spans the Han river and lands the traveller just outside the walls of the capital in the course of something over two hours from the time of leaving the coast. Nevertheless, one is lucky if he completes the journey from Shanghai to Seoul in less than a week going by way of Nagasaki, and the Korean telegraph is both expensive and erratic, so that the news of Seoul filters through very slowly and with difficulty to the outer world.

For that reason we never could understand in Shanghai why there were chronic attempts on the

part of some one connected with the Korean Government to turn Mr. M'Leavy Brown out of his house. We knew that Mr. M'Leavy Brown was the Commissioner of the Korean Customs, that he was a counterpart of Sir Robert Hart in a smaller sphere, a man of great ability, who had gone from the staff of the Imperial Chinese Customs to control the foreign revenue of Korea. He had been appointed by the Emperor of Korea for a period of five years, and had not only conducted the affairs of his department with great success, but had done a great deal in a general way for the public benefit. It was impossible, judging simply from the evidence to hand, to imagine why the Emperor of Korea should want to turn Mr. M'Leavy Brown out of his house. It was almost as difficult to understand why, if the Emperor was bent on the eviction, the Commissioner of Customs should not go and find himself another house. Vaguely we suspected the Russians of being at the bottom of the quarrel, because a year or two before Russia had attempted to oust the British Commissioner and put in a man of their own. But in the present instance there was really nothing definite in the news that had reached us to show Russian complicity. It was simply taken for granted upon general grounds that where a British official became the victim of intrigue, the Russians were almost sure to have a finger in the pie.

Simultaneously with the case of Mr. M'Leavy Brown, there was a rather mysterious attempt being made upon the part of the Yunnan Syndicate to foist a loan of five million yen (£500,000) upon the

Korean Government with the foreign customs as security. This prospective loan was creating a great deal of heart-burning in Japan, where any attempt to increase European influence in Korea was regarded with great suspicion. But the Japanese press seemed to be rather uncertain about the facts of the case, since the loan was always spoken of as a French undertaking, and the Russo-Chinese Bank was said to be financing the venture, although the officials of the Bank in Shanghai denied all knowledge of the affair, and the Yunnan Syndicate was unquestionably a British concern, which had been registered in London.

There was only one way of getting accurate information about these matters, and that was to go to Seoul and make an examination upon the spot. And as it was then the month of May, when Nature in Northern China is almost at her best, there was a good deal to be said in favour of a journey up the coast of Korea, with its countless islands and bold outlines. There is never any difficulty about getting across to Nagasaki from Shanghai—there are steamers almost every day of the week, including the German and French mails and the beautiful Canadian Pacific liners—and a day, but not more, in Nagasaki, with its lovely harbour, is always pleasant if the rain keeps off, as it does on rare occasions. But I had not counted upon half so enjoyable a journey up the coast as was virtually my lot. I found the Japanese mail steamer much cleaner and much more comfortable than any of the coasting-steamers which ran up

to Taku under the British flag. Only it was distinctly crowded, and I was compelled to share a cabin with a native of the East, whom at first I took for a Japanese but soon discovered to be a Korean. He was dressed in the usual dark European clothes and black "bowler" hat, which the Japanese who have become Europeanised mostly affect, and I was able to come to the conclusion, which was confirmed when I saw the Korean troops, that if you dress a Korean and a Japanese alike it is very difficult to tell one from the other. Moreover, the European eats at the same table with the Japanese and Koreans as a matter of course on board these Japanese steamers, whereas on the Chinese coast the foreigners and the Chinese are kept as much apart as possible, to the mutual advantage of both. I noticed that my Korean friend, who spoke no English, was deeply engrossed in Russian literature, a fact not without its significance.

We called first at Fusan at the southern end of the Korean Peninsula. There we found ourselves in a beautiful harbour, large enough to hold a fleet, which is now the suitable terminus of the Seoul-Fusan Railway. The foreign settlement at Fusan is entirely Japanese, with the exception of a missionary or two, and there were then some two hundred Japanese troops living in extremely comfortable barracks. Indeed, the commercial town of Fusan is to all intents and purposes Japanese, so much so that we even met a Japanese contingent of the Salvation Army coming down the main street

with drums and cymbals and trumpets in full play. The Korean town is a wretched collection of mushroom-like hovels a mile or two to the west of the modern Fusan.

After spending half a day in discharging cargo, we steamed up the coast to Chemulpo, which is a very poor harbour indeed. There is a tremendous ebb and flow of the tide, which leaves a long stretch of mud flats at low water, and no steamer of deep draft can come much nearer than three miles from the shore. Here, as elsewhere in Korea, the foreign element is almost entirely Japanese, though there are one or two British residents, and the British Consulate is the most imposing house in the place. There was a Japanese hotel of a sort that did not look very inviting, and I was only too glad to avail myself of the offer of a cabin on board a British cruiser which was lying in the roadstead. Altogether, though it boasts of a foreign club where the usual hospitality of the East is extended to the traveller, Chemulpo is not exactly a charming spot, and it is not even likely to thrive very greatly in the future as a commercial centre, since Fusan is bound to become the chief seaport of Korea as soon as it is joined to Seoul by the new Japanese railway.

A considerable section of the British fleet was assembling at Chemulpo at the time of my arrival. The *Astræa* and the *Isis* and the *Pique* were already there; the *Barfleur*, the rear-admiral's flag-ship, was coming, and it was even reported that the *Terrible* was under orders to sail with a contingent

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of Indian troops on board her. There was evidently trouble in the wind, and my first object was to get to Seoul as quickly as possible.

There is no difficulty about reaching the capital in these days; the main thing to be discovered is a habitation when you get there. As a matter of fact, there is a regular Japanese quarter in Seoul, and wherever the Japanese have made themselves at home you are sure to find a clean night's lodging, provided you do not ask for too many luxuries; and those who have travelled in Japan will probably prefer an ordinary Japanese inn to the sort of apology for a European hotel which is prevalent in the East, and which combines all the bad points of both civilisations. Not knowing Seoul, and having forgotten the existence of a Japanese quarter, I went to a French hotel which had just been started by a Frenchman who was a passenger on board the Japanese mail. He had secured a site just opposite the walls of the new palace, in the very lowest part of the city, upon which he had built a diminutive house of two storeys. It was better than nothing, because, being new, the rooms were clean, and it had the advantage of being central in position and close to all the legations. It also sheltered the French agent of the Yunnan Syndicate who had engineered the famous loan which had been creating such a hubbub; so that I was able to get full particulars on that subject from the fountain head. Two days, however, in the very bottom of the city, which is built on ground more or less resembling a basin in shape, brought on a bad attack of

malaria, and I was fortunately rescued from my hotel and taken up the neighbouring hill to the British Legation by the British Chargé d'Affaires, whose hospitality I enjoyed during the rest of my visit.

The British Legation is charmingly situated upon the top of a ridge which rises up in the western half of the city and which is now much coveted by the Emperor as a site for the new palace he is building. Seoul is full of old palaces, which for one reason or another cannot be used any longer. In one case a snake fell off the roof and made the palace in the north-east corner uninhabitable. The Middle Palace, which was the predecessor of the present one, was the scene of the murder of the Queen in 1895, and the associations of the place are naturally too sad to let the Emperor live there. In consequence of that outrage he fled to the Russian Legation, which is on the top of the afore-mentioned ridge, and became so enamoured of the place that he determined to build a new palace on the same hill. Unfortunately he cannot do so without first removing the legations and the Customs buildings, which are all on the same ridge; or else he must be content to build low down on the hill and be overlooked by the British Legation, an intolerable position for an Emperor. As it was, he was building as hard as he could when I was in Seoul in 1901, and needed as much money as possible to go on with the building, hence the necessity for the so-called French Loan; he also desired the whole of the hill upon which the Foreign Legations and the Customs

offices were congregated together, hence the attempt to oust Mr. M'Leavy Brown. So it will be seen that the two incidents which were dragging Korea from her obscurity into public notice, and which seemed entirely disconnected, had their common factor in the desire of the Korean Emperor to complete his new palace.

The two episodes lent a certain piquancy to the study of Korean politics at the time, and as I was living at the British Legation I could not help taking an interest in the outcome of the contest which was being waged between the British and Japanese Ministers on the one hand and Franco-Russian intrigue on the other. For there could be no doubt that the Dual Alliance was at the bottom of the whole business, although the Russian Minister had gone off rather ostentatiously to Japan to see one of his Cossacks cured of hydrophobia, leaving his French colleague to do the work of the Alliance. The Koreans took very little interest in the contest except in so far as the money was concerned. They did not care in the least what concessions they sold or gave away, or how they pledged the credit of their country, so long as the Emperor and the officials about him could get some ready money for their immediate uses. The Minister of Finance, Yong-yik, was an upstart, without any kind of education and complete ignorance of the very rudiments of his calling. The Foreign Minister, Pak, with whom I had a long interview, was an amiable and well-meaning person, but quite unable to direct the affairs of a nation. He was naturally opposed

to the granting of concessions which would give a foreign Power a new political influence in Korea, and he honestly meant what he said, when he told me over our sweet champagne, that he believed Great Britain to be the truest and most unselfish friend of his country. But such expressions go for very little in the mouth of a Korean official, who by his very training is incapable of vigorous action. One felt that the real decision in the existing disputes lay within the walls of the British Legation, whose occupant was able at a moment's notice to bring no small part of a fleet to Korean waters and to march enough men to Seoul to overcome any opposition that could be attempted by the Korean army. The future of such a country depends entirely upon the conflicting ambitions of the Great Powers.

Korea is in fact a microcosm of the great world of the East. One progressive Power could take her and govern her, and make a country of her in a few years. But no Power can act independently in the East without arousing the jealousy and hatred of several others. So four or five Powers are pecking greedily at Korea, squabbling over each mouthful, and confirming her in her independence and consequent ruin. And the Koreans are such pleasant, kindly people, so patient in long-suffering, so devoid of aggressiveness or anti-foreign prejudice, or that heaven-high conceit which stamps the Chinese, that you cannot but be mildly attracted towards them, and sorry for their hard lot. Regarding the Korean in his loose white robes and ridiculous horse-hair

hat, with its broad flat brim and ribbons under the chin, and taking into consideration the bovine stare and hanging jaw with its sparse tuft, you would best describe him as a mixture between a Quaker and an amiable goat. Or, from another point of view, he resembles the pale ghost of what a Chinaman was a thousand years ago. He is more set in his ancestor worship than the Chinese, more Confucianist than Confucius, more stereotyped in his dress than even the blue-skirted Celestial, and belongs to a social structure whose limitations are adamantine. If it seems a hopeless task to lift the Chinaman out of his groove, it is a hundred times more difficult to change the habits of the Korean.

The Chinaman has so many good points that dialectically it is possible even to defend his civilisation against our own. The Korean has absolutely nothing to recommend him save his good nature. He is a standing warning to those who oppose progress. Some one has said that the answer to Confucianism is China; but the best and most completely damning answer is Korea. Yet cast-iron as the Korean is in his habits, Korea must succumb to the civilisation of the outer world more quickly than China because she lacks the vitality of the larger Empire, and her desire to repel the foreigner has grown cold. The Emperor commands no respect and little loyalty at the hands of his people; his overthrow would be regretted by few outside the palace walls. The official class is greedy and justly hated by the populace, and the same might be said

of the Yangban, or gentry. The brawny coolie, here as in China, is really the best product of the race, and if you could only raise him to the level of the European labourer something might be done with the people as a whole. But to imagine that such a country as Korea, with no knowledge of self-defence and little inherent loyalty in her people, can long retain her independence, in any real sense of the word, is to imagine a state of things such as has never yet existed in this world of strife. Korean independence is even now a pretence kept up by rival Powers who do not wish to assume a sovereignty which might land them at any moment in a great war.

As might be imagined in the circumstances, Korea has become the happy hunting-ground of concessionists. British, American, and German syndicates are already established on mining properties which are, at least, as promising as any in China. The Korean officials, being as corrupt as the Chinese and far more foolish, have sold these mining rights for little more than a mess of pottage. When the Chinese sell a mining concession they take care to reserve to themselves enormous royalties such as are paid in no other country in the world, but the Koreans, being always hard up for money, have taken their royalties in ready money and retain no more interest in the mines than a modest rent. Naturally the mining companies do not say much about their affairs, the Americans and Germans being particularly secretive, but when it is considered that the Koreans, with their primitive

methods of gold-washing, exported £300,000 in gold dust in 1900—and this sum only represents the amount known to the Customs officials—it is easy to see how profitable the gold industry may become.

The American companies have been amalgamated under the name of the Oriental Consolidated Mining Company. Five separate mines are now being worked and four mills were in operation in 1901, with 120 stamps, and the number is constantly increasing. In that year £150,000 was sent out of the country from the Company's mines. The property extends over 800 square miles, and has a deep water-approach to within a few miles of the central camp. There is also an excellent supply of cheap Korean labour. Altogether there is no more promising mining venture in the whole of the East than this American concern started by Mr. Leigh Hunt.

The British Concession first obtained by Mr. Pritchard Morgan, and sold by him to the British and Korean Corporation, has almost equal prospects of success, though the mines are not so easy of access, and specially constructed light draft steamers are required to navigate the river above Ping-Yang to the part of Unsan where the mines are situated. The German concession at Tangokae has so far proved the least successful. But enough has been done by foreign enterprise to show that there is much mineral wealth, including coal, to be developed in Korea.

The French so far have no mining concessions, but

they have hopes, and it was partly with the object of obtaining mining concessions that the Yunnan Syndicate suggested the loan which was nearly carried through in the summer of 1901. This brings us to the question of the Loan and the Customs Commissioner which first brought me to Seoul, and must be dealt with in a separate chapter.

CHAPTER XIII

FRANCO-RUSSIAN INTRIGUE IN KOREA

THE history of the so-called French Loan is nowhere written in the official documents published by our Foreign Office, nor do consular reports make any mention of the various intrigues set on foot to remove Mr. M'Leavy Brown from his position as Commissioner of Customs in the year 1901. Yet both episodes throw a strong light upon the private policy of the different nations who have dealings with Korea. Moreover, the story of that summer may be told without any regret as regards the action of the British officials on the spot, which unfortunately is not often the case where Northern China is concerned. We may indeed congratulate ourselves that we had a Chargé d'Affaires in Seoul who knew how to take a determined stand and to act promptly and vigorously. The result was that we gained our point, and we demonstrated very clearly the fact that a little determination goes a long way in dealing with our political opponents in the Far East.

The situation when I arrived in Korea was rather a curious one. The agent of the Yunnan Syndicate, a certain M. Cazalis, had succeeded in effecting an agreement with the Korean Ministry whereby

the Syndicate was to advance the sum of five million yen (£500,000) to the Korean Government at 5½ per cent. with the foreign Customs as security. The debt was to be paid off in twenty-five years, and the money was to be used for the development of the Ping-yang coal mines under French auspices, the organisation of a mint and the establishment of a gold and silver currency, and also for the additions to the new palace. The Syndicate, as a reward for its services, was to receive certain mining concessions, not specified in the agreement, and was to be allowed to deliver the amount of the loan in gold and silver bullion, making its own price for each commodity. No date was fixed for the delivery of the bullion. The agreement was signed by the Minister for Foreign Affairs and the Minister of Finance on the one hand and by M. Cazalis, agent of the Syndicate, and M. Colin de Plancy, French Minister at Seoul, on the other. There is no doubt about the terms of the agreement, because a copy of the document was procured, in the manner usually adopted in the East, by the Commissioner of Customs, and M. Cazalis himself gave me a *resumé* of the terms in a conversation which I had with him as soon as I reached Seoul.

Two things must strike the most casual observer as being rather strange. In the first place, the amount of the loan is ridiculously inadequate for the purposes mentioned. Secondly, the French Minister has no business to back an agreement between the Korean Government and a British syndicate. When I commented upon these two points M. Cazalis could

only reply that the credit of Korea was not worth more than half a million sterling, and as regards the signature it would have been impossible to obtain the backing of the British Chargé d'Affaires, and so he had to fall back upon M. de Plancy.

Such an answer only weakened his position. It was, indeed, quite obvious that no British Chargé d'Affaires could approve of a scheme which pledged the foreign Customs of the country for a paltry half a million, and he would be bound in any case to warn the Emperor against attempting to establish a currency with so small a sum. There had been attempts in the past to introduce a Korean currency with lamentable results, and the existing system was really adequate for the wants of the country except in so far as the subsidiary coinage was concerned. Legal tender in Korea consists of Japanese paper yen with a certain number of silver yen and half yen, none of which are at all likely to be counterfeited or to become depreciated; for as long as Japan maintains her gold standard—and she seems to have weathered the storm at last—the paper yen is as good as gold. There was at the same time a debased nickel currency, which is a great obstacle to trade, especially away from the Treaty Ports and Seoul. The Government, in order to raise the wind, has made this nickel coinage legal tender, and has contracted with an American firm to supply a large quantity, which it retails at a price 90 per cent. above its market value. To increase the confusion the Government grants to certain privileged persons the right to make this nickel

coinage, with the result that the standard is constantly being lowered and any number of spurious coins are being imported from Japan and elsewhere. At Chemulpo, according to a consular report, there are quotations for (1) Government nickels; (2) first-class counterfeits; (3) medium counterfeits; and (4) those passable only after dark—which shows what a state the currency of the country has reached.

But no improvement could possibly be attained by starting a native gold and silver currency with a portion of the half-million to be lent under the agreement. The gold would disappear immediately from circulation, the silver would be depreciated, the merchants would have to fall back on the Japanese yen, and the country would be no better off than before, but would be saddled with an unproductive debt. The part of the capital sum to be spent on the Ping-yang coal mines would benefit no one except the French engineers, whose salaries would be paid with some regularity for a year or two. The Emperor and some of the Court officials were the only people in Korea who would profit at all. They at least would line their pockets for a short time and a few rooms might be added to the new palace.

But the most iniquitous part of the scheme was the mortgaging of the foreign Customs. The revenue of the Treaty Ports is the one safe asset of the Government, because it is collected by Europeans under the guidance of an English Commissioner, and so far it had not been mortgaged to any foreign

bondholder. It was also the one source of income from which money could be obtained to carry out much-needed public works. The streets of Seoul, for example, which, though they leave a good deal to be desired, are still infinitely better than their counterparts in the capital of China, owe their present condition to the care of the Commissioner of Customs, who, being a dictator in his own little sphere, is able to keep a portion of the Customs revenue away from the insatiate maw of the Palace. It goes without saying, therefore, that Mr. M'Leavy Brown would never have consented to appropriate any part of that revenue for the service of a loan made by a foreign syndicate unless indeed the proceeds of the loan were to be spent upon public works of proved utility. Technically, perhaps, his consent was not necessary, although he had, I believe, a verbal understanding with the Emperor when he first undertook the work of his department that the Customs would not be mortgaged without his approval. But in practice, as he held the purse-strings, he could simply refuse to pay over the interest on their loan to the syndicate, and he let it be understood that he would certainly pursue that course. This being the case, Mr. M'Leavy Brown became a stumbling-block in the path of the members of the syndicate, who would be robbed of all security for their loan.

Technically also the British Chargé d'Affaires could not prevent the ratification of the agreement. But he could, and did, join the Japanese Minister in lodging a vigorous protest with Mr. Pak, the Korean Foreign Minister, against the carrying out of a

scheme which was obviously detrimental to the best interests of Korea, and which further threatened to put the Customs under the control of an irresponsible syndicate. For it must be mentioned that a stipulation had been made in the agreement that Mr. M'Leavy Brown, whose term of office had still nearly three years to run, was to be succeeded by a French Commissioner, who would, of course, be a nominee of the syndicate.

M. Cazalis resented very bitterly the action of Mr. Gubbins, our Chargé d'Affaires, and wanted to know how a British official could dare to oppose the interests of a British syndicate. Some one, whose name I have forgotten, but who was connected with the syndicate in London, also tried to protect the interests of the Yunnan syndicate by a letter to the *Morning Post*, in which he attacked me for having talked of the loan as a French undertaking. But neither the resentment of the one nor the protests of the other could alter the damaging fact that the loan agreement was signed, not by Mr. Gubbins, the British Chargé d'Affaires, but by M. Colin de Plancy, the representative of France. The fact of the matter was that the Yunnan syndicate was British only in name. It was started originally by a French consul of an enterprising turn of mind, who had secured large concessions in Yunnan and the adjacent provinces of China, and being unable to get all the capital he wanted in Paris had gone to London for help, and had finally registered the syndicate in London on the grounds of expediency. What the Yunnan syndicate had to do with Korea

is not at all clear; but it is quite certain that the money for the loan was to be found not in London but in Paris. It was beyond all doubt a French undertaking, backed by the French Minister, and destined to give French capitalists a strong interest in Korea, both of a financial and a political nature. It is even possible that the Russo-Chinese Bank, as the Japanese papers asserted, was indirectly interested, though there was no appearance of any connection of that sort on the surface. At all events, there was very little that was British about the scheme except the name of the syndicate, which was used as a convenient cloak for French designs.

I could quite sympathise with M. Cazalis in his disappointment. The loan, if it could have been carried through, would have been a great achievement for any syndicate. The Customs revenue was ample security for so small a debt, and simply from the point of view of an investor the terms were irreproachable, while the promise of concessions was an added profit of unknown proportions. M. Cazalis was to be congratulated on having got within an ace of the ratification of the agreement. On the other hand, Mr. Gubbins did a real service, both to Korea and to his own country, by setting his face firmly against the whole scheme. He had to act promptly and forcibly, since the ratification of the Emperor had almost been obtained before the facts about the secret agreement leaked out; and he was a good deal hampered by the use of the name of the British syndicate, and also by the intrigue against Mr.

M'Leavy Brown, which was going on at the same time.

It would be too much to say that the agent of the syndicate was personally implicated in the intrigues against Mr. M'Leavy Brown; but it is at least a strange coincidence that there should have been so strong an endeavour at this very moment to get rid of the man who was the chief obstacle in the way of French aspirations. On the surface, the action taken against the Commissioner of Customs seemed to arise out of natural causes. The Emperor, as I have before explained, had been driven to build himself a new residence owing to the tragic occurrences of 1895, when the Queen was murdered in the Middle Palace. There were very few sites left in Seoul for a royal dwelling—the whole of the North side of the city, which rises picturesquely on the slopes of the hills to the North, was already taken up by the buildings and grounds of deserted palaces. The rising ground to the South was occupied by the Roman Catholic Cathedral, the most imposing edifice in Seoul, and by the Japanese Legation. The one remaining piece of high ground was the ridge in the Western half of the city, whereon were clustered the British, American, and Russian Legations and the Customs buildings. When the Queen was murdered the Emperor (at that time he only had the rank of King) fled to the arms of the Russian Minister, who offered him the hospitality of the Russian Legation, and it was during his stay at the Russian Legation that he decided to build his new palace on the selfsame ridge, possibly with a

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view to having a handy place of refuge in any future *coup d'état*. It must have been obvious from the very beginning that the site was not suitable for a palace unless most of the existing buildings could be removed. I believe the American and British representatives have always been willing to be bought out if other sites could be found for their Legations, and of course the Emperor can alter the position of his own Customs buildings. But it is quite probable that the British Minister would prefer to stay where he is, not only because it would be hard to find a better position, but also because at present he stands conveniently between the Emperor in his new palace and the Russian Legation. In a word, it is feared that if the British and American Legations are moved the Russian Legation will become an annexe of the Palace, or *vice versâ*.

Difficulties being put in the way of the acquisition of the British Legation, the Emperor and his minions had to spend their force upon the Commissioner. But the Commissioner, being a British subject, could not be turned out bag and baggage as if he had been nothing but a yangban. The decencies must be respected even by Emperors, and when a posse of eunuchs was sent to occupy the house of the Commissioner of Customs they found that they had attacked the wrong man. Mr. M'Leavy Brown expelled the intruders in a summary fashion, and gave the Emperor to understand that an Englishman's house was his castle. There the matter rested at the time I came to Seoul, but it was reported

that a certain day about the end of May had been fixed for the eviction of the recalcitrant Commissioner. In the meantime Mr. Gubbins had sent for several men-of war, the rear-admiral had come over from Wei-hai-wei in the *Barfleur*, and I take it that the Emperor was warned not to bully Mr. M'Leavy Brown any longer, unless he wished to find his palace occupied by a British Naval Brigade.

Now it may be taken for granted that Mr. Gubbins did not bring over a squadron to Chemulpo simply to keep Mr. M'Leavy Brown in a house which the Emperor required for his own building purposes. Much greater interests were at stake. To begin with, there was every reason to believe that the Court party wished to get rid of Mr. M'Leavy Brown altogether, for they even went so far as to offer to pay him his whole five years' salary in full and let him go; and not gauging perhaps the pertinacity of the British character, they imagined that by attacking his house and making things generally unpleasant for him they would induce him to go. As soon as he went the control of the Customs would revert to the Emperor or one of his Ministers, presumably Yong-yik, the upstart Minister of Finance, and there would be no further difficulty about mortgaging the Customs revenue up to the hilt. The British Government might if it liked, without foreign interference, mortgage the income-tax for a thousand pounds. But the British Government is old enough to know better, and no one would

step in to save it from the consequences of its own folly. The Korean Government is in a different position. It is only, after all, a child in leading strings, and cannot be allowed to barter away its heritage for a mess of pottage, however much the Emperor or such loyal Ministers as Yong-yik might desire it. Hence it was the duty of the British representative to keep Mr. M'Leavy Brown in his place, even against his own inclination, and it was especially to the advantage of the Japanese Minister to back up Mr. Gubbins in his action, because it was directly to the interest of the Japanese Government to have the Customs of Korea controlled by a British subject rather than by a Frenchman.

The upshot of the whole matter was that Mr. M'Leavy Brown was not evicted, and M. Cazalis, despairing of success on the spot, booked a passage for Europe, vowing vengeance on the British Chargé d'Affaires and promising to bring the combined force of the French and British Governments to bear upon the subject. The attempt to undermine British influence at Seoul had for the moment failed, and the history of the French Loan, which caused such a stir in Japanese circles in 1901, has passed into the limbo of forgotten events. But there were several lessons to be learned from the occurrences of that year which should not be allowed to be buried in oblivion.

It is noticeable, to begin with, that the protagonists in that little drama were Great Britain and France. It was really a question of substituting French influence for British. But there were two

other Powers—Japan and Russia—who were at least as deeply involved in the outcome of the struggle. Russia preferred not to appear at all on the stage. In fact, her Minister, M. Pavloff, took great pains to be absent in Japan, on the plea that a mad dog had bitten one of his retinue, and the man had to be taken to see a doctor. But if M. Pavloff shunned the footlights, he probably did useful work in the prompter's box. Japan also kept in the background, for nominally the attack on Mr. M'Leavy Brown and the attempts to mortgage the Customs was no concern of hers. But Mr. Gubbins and Baron Hayashi were in constant communication, and acted in perfect harmony throughout the summer. It was, in fact, a trial of strength between the Dual Alliance and that other alliance of England and Japan which had not yet been formally recognised, but had already existed in the nature of things. And the informal alliance won the day.

It might puzzle an outside observer to understand why we took such an interest in Korea. Our trade with Korea is not nearly as large as our trade with Manchuria. We have no railway interests like the Shan-hai-kwan—New-chwang railway to defend, nor are we ever likely to acquire such interests in Korea. We have, however, indirect interests of a far more important nature. To surrender Korea to the tender mercies of Russia would be to create a great naval power in the Far East, which would be fatal to our political and commercial position in China. If ever Russia obtains a secure hold upon Korea, she not only dominates Japan but becomes at once the mis-

tress of the Northern Pacific. We cannot, therefore, abandon the Emperor of Korea to his fate without doing incalculable harm to Japan, our ally, and, what is more important still, without abandoning the position we have won for our trade in the Far East.

The question that arises is: Did our Government act in this matter of the Korean Customs with full knowledge of all the consequences involved? Candour compels us to acquit the Foreign Office of such foresight. It was simply a matter of luck that we had a representative at Seoul who was fully alive to the dangers ahead of him, and who was not afraid to act quickly on his own responsibility. And when such action is taken, how easy it all seems! In a few days Mr. Gubbins had assembled a naval force at Chemulpo, which completely overawed the Emperor of Korea. He did this on his own responsibility, and certainly without any encouragement from the rear-admiral himself, who was never tired of asserting that our interests in the Yellow Sea were not worth protecting. And the Home Government was very lukewarm in the whole matter. But the result was that the French, who could not produce a naval squadron on the spur of the moment, were quite put out of court, and the Russians, who could have sent over a battleship and a few cruisers from Port Arthur, were debarred from such a demonstration by the fact that outwardly they had no interests at stake.

We have to learn from these events the enormous effect of visible force upon the mind of an Eastern potentate, and also the great value of determination

in dealing with our European rivals. There is also a little consolation to be derived from the knowledge that there is apparently a special providence watching over the destinies of the British Empire. Prompt action on our part would have altered the whole position of affairs at New-chwang. There we missed the opportunity, and New-chwang goes to Russia as it were by default. But the final result would have been the same in any case, and though we might have gained certain advantages of a temporary nature by defending our interests in Manchuria, we could only have delayed, and could not have prevented, the Russification of Manchuria. Korea is in a different position. She may be absorbed by Russia if we stand aside and allow the process to go on unchecked. But there is nothing in the nature of things which necessitates the advance of Russia in that direction. On the contrary, Korea is the natural field for Japanese expansion. We are indirectly interested because, by helping Japan to assert her position in Korea, we not only keep the open door for our trade, but secure something like a balance of power in the Far East. We cannot, therefore, be too careful to oppose the slightest attempt on the part of Russia, or her ally, France, to acquire any sort of financial control at Seoul. And the little drama of 1901 was of far greater importance from this point of view than most people imagined. Yet I am sadly convinced that the British Government was actuated by no real motives of any sort or description. It was simply our luck to have the right man on the spot. The trend of events

was stronger than our statesmen. But we must not forget to give our representative full credit for what he did. The British Government is too often an unconscious agent of destiny, but it does not follow that its representatives in the field are blind to the forces that are at work around them.

It was a pleasing feature of the events of 1901 at Seoul that while the Japanese and British Legations were in constant communication with each other the United States Minister acted in perfect harmony with both. Dr. Allen, the American Minister, had gone to Korea originally as a missionary, and had risen to the post of United States representative at the Court of the Emperor. He seemed to be endowed to a large degree with the practical common sense of his countrymen, and he had no doubts whatsoever as to which side he should take in the long struggle between Russia on the one hand and Great Britain and Japan on the other. I daresay that his attitude went a long way towards helping the Emperor to make up his mind. If it is true, as I have said before, that Korea is a microcosm of the great world of the Far East, then the agreement between England, Japan and America which proved efficacious in Korea should be applied with equally good results in China.

Lastly, the position of France is interesting. It is in the Far East more than anywhere else that the influence of the Dual Alliance is strongly felt. By securing the aid of France in China and Korea, Russia not only gains the weight of the French fleet, but she is able to utilise the great political

power of the Roman Catholic priests. One has only to look at the French Cathedral, standing high above the streets of Seoul, to recognise at once the strong position which has been occupied by the French missionaries, who everywhere in the East aspire to temporal as well as spiritual power. The results of that power were well illustrated in the attacks upon Mr. M'Leavy Brown, for it was partly owing to the exertions of the Roman Catholic Mission that the Emperor was set against the Commissioner of Customs. The priests accused the Commissioner not only of laxity in performing his duties, but of worse sins, which could not possibly have been attributed to him with any show of reason. M. Cazalis repeated their accusations to me—the accusations being so far fetched as to carry their refutation on the surface—and thereby impressed me very strongly with the idea that the agent of the Yunnan syndicate was not wholly unconnected with the attempts to remove Mr. M'Leavy Brown from his office. At all events, there was no attempt made to conceal the part played by the French priests in the intrigue; and in the East the Roman Catholic Church and the French Government, strange as it may seem to a Frenchman at home, are often indistinguishable.

This was not the only occasion in that year on which the Dual Alliance was foiled in Korea. The attempt of Russia to gain a footing at Masampho was fortunately nipped in the bud, but not before the strong desire of Russia to obtain a port at the south end of the Peninsula had become apparent.

The French also endeavoured to gain control of the Seoul-Wiju railway, which was to act as a set-off against the Japanese railway from Seoul to Fusan, and would in time become a useful extension of the Russian railway system in Manchuria. The chief result of their endeavour in that direction was to arouse the Japanese Government to the necessity of financing the Seoul-Fusan railway, the concession for which seemed likely to lapse owing to the difficulty of raising sufficient funds in Japan.

Altogether, if the year following the Boxer Rising saw the establishment of Russia in Manchuria, it also witnessed the determination of Japan, backed up by Great Britain, to oppose all Russian and Franco-Russian schemes in Korea. So far Japan has been more or less successful, but the time has now come when Russia, having swallowed Manchuria, is preparing to push her way more aggressively in Korea, and it will require the utmost vigilance on our part and on the part of Japan to stop her advance.

CHAPTER XIV

THE PRESENT SITUATION IN KOREA

THE failure of French agents to push the interests of the Dual Alliance in Korea was succeeded by a short period of calm, during which it seemed almost probable that Japan would be allowed to establish such a permanent footing in the peninsula as might counterbalance the position of Russia in Manchuria. But the events of 1903 have shown that the Russians had no idea of surrendering their claims to Korea.

There are a number of people in this country who believe that Russia is not nearly so black as she is painted, and that half the prophecies which are made about her aggressive policy are the outcome of an overheated imagination. When they find that these prophecies have an awkward way of coming true, they fall back upon the old assertion, so often heard in the mouths of the *laissez-faire* politicians, that the Russian Empire is sure to break up sooner or later owing to financial and social difficulties in Russia. Unfortunately this is only an assertion, and one which has been made for the last half-century without any sort of confirmation in fact. Therefore it is hardly consistent with good statesmanship to base our policy upon any belief in the doom which is

said to be awaiting the Russian Empire. It will be far better for our own interests and for those of the world at large if we take note of what Russia has actually accomplished, of what she is evidently seeking to accomplish, and of what she must logically accomplish to make her position secure.

Only a day or two ago the Czar converted the Amur Province and the Kwang-tung (the leased portion of the Liao-tung peninsula) into a Viceroyalty, and appointed as first Viceroy Admiral Alexeieff, the most energetic of the Russian "forward" party in the Far East. The new Viceroy is not only to govern the territories mentioned, but he is to be responsible for the forces guarding the Chinese Eastern Railway. As the forces guarding the railway control the whole of Manchuria, it is evident that Admiral Alexeieff will virtually include Manchuria in his new dominions. It was only a few years ago that Russia, with the help of Germany and France, compelled Japan to leave the Liao-tung peninsula on the grounds that the Powers would never consent to such an encroachment upon the integrity of the Chinese Empire. And now not only is part of this same Liao-tung peninsula included in a Russian Viceroyalty, but the whole of the enormous hinterland of the peninsula is placed under the military control of the Viceroy. If such a step had been taken only two years ago, the immediate result must have been a war between Russia and Japan; but so rapid has been the progress of Russia in the last few years that the announcement of this latest move hardly awakens a

comment in our press. Ever since the Boxer rising, and to a certain extent before it, Russia has been educating the world up to the point of regarding Manchuria as a Russian province; and so successful has she been in her endeavours that she is able now to declare herself without any great fear of opposition.

This then is what she has accomplished. She has without a war and almost without difficulty, except in the shape of diplomatic protests which hurt nobody, annexed to the Russian Empire the richest portion of the Chinese Emperor's dominions; while all the rest of the world, and even Russia herself, have been solemnly binding themselves to respect the integrity of China.

Having seen this process going on under our very eyes, can we be blind to what she is seeking to accomplish in Korea? She had some time ago secured the control of the railway from Manchuria to Seoul for the Dual Alliance by means of a French concession. But the French, who have never been very active in carrying out their schemes in the East, allowed the concession to lapse, and the Korean Government now asserts its intention of building the railway itself. Ever since the French concession lapsed, the Russian Government through one of its agents has been endeavouring to get the financial control of this railway, which would be a natural prolongation of the Manchurian system. So far, however, the Korean Government has withstood the wiles of the Russian, and insists on being left to build its own

railway; but there is always a danger that the Government, being quite incapable of finding the money necessary for the carrying out of the scheme, will be forced to turn to some foreign capitalist for assistance, and will always find the Russian agent at hand ready to produce all the requisite funds.

At the present moment the activity of Russia is chiefly visible on the Yalu River. As long ago as 1896, while the Emperor was taking refuge at the Russian Legation in Seoul, a concession was granted to a Russian living at Vladivostok for the timber rights on the Korean bank of the rivers Tiumen and Yalu. The concession was afterwards transferred to the Russian Government, and timber-cutting has now begun on the Korean side of the Yalu Valley with a force of Cossacks to protect Russian interests. This is inserting the thin end of the wedge with a vengeance. The world at large is still exercising its mind over the absorption of Manchuria when Russian troops appear on the left bank of the Yalu, and the Russian Government, on the strength of a concession extorted from the Korean Emperor when he was taking asylum at the Russian Legation, demands the right not only to cut timber, but to put up a telegraph-line and establish military posts on Korean soil! One is bound to admire the boldness and consistency of Russia's movements, but one is equally forced to wonder at the complacency of the other Powers who have commercial interests in the Far East.

Of course the timber concession is no great affair, and 300 Cossacks are not a formidable force, and the

Yalu is a long way from Seoul. But it is not the size of the force which matters so much as the principle involved. Once Russia has acquired the right to station troops beyond the Yalu, she can raise the number to almost any limit at a moment's notice, for she already has garrisons all the way from Liao-yang to the Yalu which can be drawn upon to increase the force on Korean soil. And naturally she is opposing the opening of Wi-ju as a treaty port, because Wi-ju commands the mouth of the Yalu on the Korean side just as Ta-tung-kao commands it on the Manchurian bank, and to have a foreign, and especally a Japanese settlement, at Wi-ju might interfere with her plans a good deal. Here, again, we cannot help wondering at the transparency of Russian methods. It would be natural for the Russian Minister at Seoul to use his influence against the opening of Wi-ju. But M. Paoloff goes far further than that. He has openly objected to the establishment of a treaty port at Wi-ju for no other reason than that it would bring Japanese settlers, and possibly a Japanese garrison, to the Yalu Valley. In the face of these acts it is impossible not to believe that Russia intends to fight Japanese influence in Korea to the utmost while she is doing everything in her power to increase her own influence at Seoul.

We must never forget the immense strategical importance of Korea to Russia. It is not too much to say that half the success of her forward policy in the Far East depends upon the ultimate annexation of Korea. Unless she can annex Korea she can

hardly hope to acquire a naval base on the peninsula, and without a naval base such as Masampho at the southern end of Korea, her two naval harbours, Port Arthur and Vladivostok, are cut off from one another and robbed of a great part of their potential value. With Japan supreme in Korea, Broughton Channel can be made almost impassable for a Russian fleet, which means that a Russian squadron at Port Arthur and another at Vladivostok would in time of war be like two parallel straight lines which can never meet.

Russia long ago saw the necessity, from her point of view, of keeping the control of Broughton Channel for herself when she persuaded Great Britain to give up Port Hamilton. And ever since then she has been trying to secure harbour rights for herself in spite of the stipulation made by Great Britain when she gave up Port Hamilton that Russia was on no account to occupy any portion of Korean territory. The actual location of the harbour to be acquired by Russia is of no great importance, because there are any number of good harbours at the south end of Korea; but the selection of Masampho in 1901 showed exactly what Russia had in mind. It was in 1887 that we gave up Port Hamilton and Russia promised never to occupy Korean territory; but again, in 1894, the understanding was referred to in explicit terms in the House of Commons; so that Russia cannot, without risking a breach in her relations with Great Britain, acquire territorial rights in Korea. Yet it is perfectly obvious not only that she must absorb Korea in order to round off her position

in the Far East, but that she is taking the same sort of steps to carry out that absorption which were so successful in the case of Manchuria.

It might be argued that we as a nation are still less interested in the fate of Korea than we were in that of Manchuria. Our commercial stake in the country is very small, because the entire foreign trade of Korea does not much exceed two and a half millions sterling. Our share of that trade consists in the importation of cotton goods and yarn, and even in that department we come second to Japan, who is gradually driving us out of the field. Therefore it can hardly be worth our while to fight Russia for the possession of the Korean market.

I have already pointed out, in discussing the trade of Manchuria, that this sort of argument, plausible as it is, must not be allowed to have undue weight. If we abandon the neutral markets one by one, because each by itself is unworthy of our attention, we shall after a time find the markets of the world closed to us. There is no reason why, after abandoning Manchuria and Korea we should not with equal reason give up the province of Chih-li to Russia. We have already allowed a preference to Germany in Shan-tung, and very soon we shall be asking ourselves whether, after all, the trade of the Yangtze Valley is sufficiently valuable to warrant us in going to war with Germany to defend it. There is no end to the policy of running away when it is once begun. We have, therefore, to make a stand somewhere. Many people think we ought to have made it in Manchuria, that we ought never to have

abandoned Port Arthur, and that we still ought to force Russia to carry out her promises of evacuation. Whether they are right or wrong, it is fairly obvious that we have lost our opportunity in Manchuria and that the British public will never countenance a war which has as its object the reconquest for China of its lost provinces. But it is not too late to take a firm stand over Korea. And we must remember, too, that, although the Korean market is a small affair to-day, it may become of considerable importance before long. Korea is, in the first place, a gold-producing country of great promise. Already half a million pounds worth of gold dust is exported from the treaty ports, to say nothing of what is smuggled out of the country. It is impossible to say how far that export of gold may be increased in future years, but it can hardly fail to reach considerable proportions, seeing that the gold industry has only been exploited by foreign capital during the last three years. We may take it for granted, therefore, that the purchasing power of Korea will increase to a large extent as time goes on under any form of government, and in the consequent increase of trade we shall have our share if the ports are not closed to us. And if Japan were to gain complete control of Korea and could introduce there a better form of government, it is hard to put any limits to the increase of prosperity which might be looked for. Korea has already the materials for improvement. Her working class is strong and industrious whenever there is a chance of industry being rewarded. At present the labourer has no inducement to work

because he is robbed of every penny that he can earn beyond the bare means of subsistence. Under a better form of government Korea would be not only a gold-producing country but a granary for Japan. On economic grounds alone, therefore, it is worth our while to save Korea from the domination of any Power which would close the ports against its commercial rivals.

But the commercial point of view is not the only one in the East. We have our political future to take care of, and it would be a serious blow indeed to our political interests if Russia were to annex the peninsula of Korea. To begin with, the possession of Korea, with all its splendid harbours, would infallibly make Russia the greatest naval power in the Far East; it would also give her a splendid base for operations against Japan; so much so that Japan would inevitably become a vassal state at the beck and call of the Tsar. That is not a state of things which we can contemplate with any satisfaction, for it would mean the eventual breaking up of the Anglo-Japanese alliance, for which would be substituted a Russo-Japanese understanding excluding us from all political influence in Northern China. The loss of Northern China would be followed by so great a loss of prestige that we should finally be compelled to abandon even the advantages which we have gained, and gained for the world at large, in the Yangtze Valley. In fact, we should cease to be a predominant factor in the Far East.

If we were compelled to surrender the great position which we have made for ourselves during

the nineteenth century by any great danger threatening us; if we had to pay any enormous price to maintain that position, there might possibly be arguments on both sides of the question. But when we can save Korea and check the advance of Russia without any danger to ourselves, with hardly any great outlay of money or ships, but simply by taking a firm stand now and making up our minds as to the course we mean to pursue, then it is almost impossible to conceive any British statesman hesitating for a moment.

The difficulties in the way of turning Russia out of Manchuria are enormous, even supposing that we had the desire to attack her there. Neither we nor Japan could hope to hold for very long a country like Manchuria, or any part of it, which would have no natural frontier to protect it against the long pressure of Russia's huge army. But Korea is in a totally different position. Russia has not established herself there in any great force, and, being a peninsula, Korea is at the mercy of the Power that rules the seas in the Far East. She also has a land frontier of considerable strength in the great bulwark of the Long White Mountain, which, with its subsidiary ranges, separates Manchuria from Korea. In fact, Korea can only be attacked on the land side by two roads—one coming from Vladivostok to the north, and another coming from Liao-yang to the west, and both these roads could be easily defended against the invaders.

As things stand at present, Russia is certainly not prepared to fight Japan at sea, and still less so when

she knows that Japan would enjoy the benevolent neutrality of Great Britain. If she calls in France to her aid, the French fleet will be counterbalanced by the British Navy, so that Russia would gain nothing by invoking the Dual Alliance. It would, therefore, be quite possible for Japan, at the present moment, to assert her control over Korea as a reply to the action of Russia in Manchuria without taking more than a remote risk of war; and England should encourage Japan to take this step, which would prevent for ever the annexation of Korea by Russia. If it is argued that very little consideration for Korea would be shown by such an arrangement, it is only necessary to point out in reply that Korea at present enjoys almost the worst government in the world. The Emperor and his Court are completely devoid of patriotism or of any real solicitude concerning the welfare of the people. The Emperor is only intent on building himself new palaces, and his Court wants money for its own purposes. Outside of the Court there are only two classes: the Yang-ban, or gentry, and the labouring people. The Yang-ban batten upon the lower class, which is really composed of people who are to all intents and purposes serfs. Nothing could be worse than the present state of things. When people talk about maintaining the independence of a country like Korea, and regard any attempt to destroy that independence as a political crime, they evidently forget that independence for Korea means simply freedom for the Emperor to maltreat and rob his subjects. There is no independence at present for the Korean people.

They would be a thousand times better off under Japanese rule, and we, as a free people, should rather see Korea lose her nominal independence than allow the wretched people of that country to continue in their existing state of serfdom.

And it must also be remembered that Japan has established her right to govern Korea. She went to war with China to release Korea from the Chinese yoke, she has brought in many reforms into the country, notably in the shape of an army, railways, post-office, and telegraph-office. The only trustworthy currency in the country is Japanese, and the first bank of Japan is now issuing its own notes and is assuming the same sort of position in Korea as the Russo-Chinese Bank has acquired in Manchuria. Lastly, there are now nearly 40,000 Japanese residents in Korea against less than 500 of any other foreign nationality, and Fusan, which is practically a Japanese town, is a model of what all the ports of Korea might become. By every rule of the game Korea belongs to Japan, and could become a Japanese dependency to-morrow if we would use our influence to that end. If we do not, there is a very grave danger that Russia will continue to push her influence in the country until she thinks she is powerful enough to defy Japan even in Korea, and then Japan must either abandon the field or fight. A little determination on our part now would not only involve very little risk for war, but would actually prevent war becoming a certainty.

CHAPTER XV

GERMAN AMBITIONS

BEFORE we can arrive at any definite conclusions as regards our policy in China, we must pay some attention to the aims and ambitions of the German Government in the Far East. Germany only a few years ago was a negligible quantity in the politics of the China seas. Indeed there were only three European Powers who could be considered to have any real influence upon the course of events in China, and they were England, France, and Russia. But since the foreign trade of Germany has begun to expand and her steamers have appeared upon the ocean, she has taken a new interest in the great market of the East, and has determined to have a voice in its political destiny. Nothing in recent years, except the granting of the concession for the Manchurian Railway to Russia, has had such a strong effect upon Chinese history as the seizure of the Bay of Kiao-chau. This high-handed bit of land-grabbing brought Germany into the arena as a militant force in Chinese politics, it marked a new stage in the dismemberment of the Chinese Empire, and it was one at least of the causes of the famous Boxer rising of 1900. It will be useful, therefore, to give some account of what the Germans are doing

in their special sphere of influence, the Province of Shan-tung.

On a barren, treeless, rocky coast at the eastern extremity of a shallow, useless bay the Germans are rapidly building their Eastern capital, which is to be not only a naval and commercial base for Northern China, but also the rallying-point of all that is German in the Eastern Hemisphere. That their enterprise has been greeted with only half-concealed laughter on the part of the old China hands goes without saying. To attempt any great work of construction in China is to court ridicule in the clubs of the treaty ports; but to make the attempt where no trade has previously existed to justify any outlay at all is regarded in the East as nothing short of madness or deliberate wickedness.

Nevertheless, two interesting experiments of this sort are at present being made in China, by the Russians at Dalny and by the Germans at Tsing-tao. In both cases great deep-water harbours are being built at enormous cost in situations by no means well adapted to the purpose; in both cases the commerce which alone would justify the expense exists only in the future. There is this difference, that while Dalny was built to carry out and to finish a railway scheme, the Shan-tung railway is being built as a complement and feeder of Tsing-tao. The two enterprises were begun about the same time, and, roughly speaking, they have reached about the same state of development to-day. Dalny is expected to cost the Russian Government 70,000,000 roubles; Tsing-tao will account for more than 120,000,000

marks. So the race is well contested up to date, with no great advantage to one side or the other. With regard to both very various opinions have been expressed, for the most part by people who have never visited either, and both have been subjected to contemptuous criticism by the more old-fashioned of the Anglo-Chinese, who object strongly to such unheard-of methods, and predict all sorts of misfortune as a proper punishment for the infringement of Chinese custom.

The time has almost arrived, however, when the future of these enterprises can be roughly gauged, or at least it may be decided whether they are doomed to failure or to some measure, at least, of success. I have already endeavoured to show that Dalny must become an important seaport almost from the moment of its effective opening to trade. That Tsing-tao will be equally successful it would be rash to prophesy. It is handicapped from the outset by the poverty of its hinterland (poverty being a relative term, and applicable only as compared with the richness of Manchuria). But success can only be judged according to the scope of the original plan, and it is necessary to point out first what the Germans had in view when they seized the Bay of Kiao-chau.

The Germans wanted, in the first place, a naval base for the protection of their commerce and the upholding of their prestige in Chinese waters. Their choice then was exceedingly limited. A careful survey of the coast will show that in the end they must have been reduced to choose between Wei-hai-

wei and Kiao-chau. It is said that Li-hung-chang, when previously confronted with the same choice, had rejected Kiao-chau as unfit for naval purposes, and it might be argued that what was not good enough for the Chinese navy can hardly be worthy of Germany's fleet. But the circumstances were not at all similar. Port Arthur was already earmarked by Russia, and Germany had no desire, it is to be presumed, to establish herself in close proximity to her powerful European neighbour. There is no great distance between Wei-hai-wei and Kiao-chau, but yet sufficient to make Kiao-chau greatly preferable in view of a possible torpedo attack from Port Arthur. As far as expense is concerned, while Wei-hai-wei in its natural state is a much better harbour than any part of Kiao-chau Bay, there is probably no great difference in the amount of money which must be spent on each in order to make it impregnable.

From a strategic point of view, therefore, Germany was forced to take Kiao-chau Bay; and so it must be remembered by those who are inclined to sneer at Germany's new colony that, granted the necessity of having a naval base in China at all, Kiao-chau Bay was absolutely the only spot which she could select for the purpose; and if she has to spend £5,000,000 on making a harbour and erecting fortifications she is only doing what she must have known to be necessary before she seized the bay. If, besides fulfilling her aim in this direction, she also succeeds in making her new colony a trading centre in itself and a commercial base for North China she will have

added a measure of success which was not an essential part of the original undertaking. And if, further, she uses Kiao-chau Bay as a lever for the political control of Shan-tung, and perhaps part of Chih-li as well, then it may fairly be argued that the money expended on her harbour will be returned to her with good interest.

Tsing-tao is situated on the promontory which forms the eastern boundary of the Bay of Kiao-chau, and is seventy-seven kilomètres (about forty-four miles) by rail from the Chinese city of Kiao-chau, which lies a mile or two inland from the head of the long, shallow bay which the Germans have "leased" from China. Kiao-chau itself is not in the leased territory, but the Germans hold the entire foreshore of the bay, besides all territory within a radius of some thirty kilomètres from Tsing-tao.

When you land at Tsing-tao you are confronted with the same barren, rugged hills which give everywhere to the coast of Shan-tung an unpleasing and inhospitable appearance. Tsing-tao is on the extremity of the promontory, and faces out to sea, while the business quarter of the town (called Ta-pu-tao) lies over a slight rise and faces inwards towards the bay where the new harbour works are. At first a small harbour with a breakwater was constructed for coasting-steamers, but as it was discovered (after enormous sums had been spent on a mole) that the basin was full of rocks and the entrance too narrow for safety, the coasting-steamers preferred to lie outside opposite to Tsing-tao itself, where they discharged their passengers and cargo by sampan

and lighter. They were thus exposed to the full fury of a gale from the south-east, which they could only escape by running across to an inlet on the south side of the bay, just as ships escape a northerly gale at Chi-fu by running under the Bluff. This unsatisfactory state of affairs was only, of course, temporary, as the great harbour inside will give ample accommodation for ships of all sizes when it is finished.

The town of Tsing-tao, which faces the incoming steamers, is composed of a number of large new buildings, which include two fine hotels and a number of business houses and private dwellings. Here there are no retail shops and no Chinese dwellings of any sort with the exception of the aboriginal Chinese village, which is being rapidly removed. The sea front before the hotels were not yet finished when I visited the port, and many of the buildings had not shed their scaffolding; nevertheless, the visitor who comes expecting to find an ordinary foreign settlement on the scale of the newer treaty ports will be agreeably surprised, and possibly, if he is a business man, astounded. The Prince Heinrich Hotel is, with the exception of the Astor House in Shanghai, by far the best hotel in the whole of the East, including Japan; and the business houses and public buildings are constructed on such a solid and extensive scale as you will not find in Shanghai, or even perhaps Hong Kong.

In summer or winter, when the sun shines, as it nearly always does in Shan-tung, the scenery, though bare, is not so lacking in charm as the first view from

the sea would indicate. In front of the hotel the entrance of the bay widens out to the sea, its blue expanse dotted with a few rocky islands and innumerable brown junks, and brightened occasionally by the long white hull of battleship or cruiser. Exactly opposite to the hotel windows a long hill far across the bay rises to a thousand peaks, the highest of which stands sixteen hundred feet above the blue waters of the bay. Behind the town low hills shelter Tsing-tao in winter from the north winds, and, thanks to German rule, they are already assuming a garment of green pine. Farther back the hills become mountains, attaining a height of three thousand feet, with such jagged, fantastic crests as to delight the eye in spite of their barrenness. East of Tsing-tao proper, in another little cove of the sea, the Governor has his residence, and the beach is excellent for bathing, while enormous barracks and an incipient racecourse, with tennis and polo grounds, betoken the fashionable quarter of the future.

To the west of Tsing-tao, facing inwards to the bay, lies the real wonder of the place in the shape of a brand-new commercial quarter, which is actually built up and could now, if necessary, accommodate half the retail business of Shanghai. This is Ta-pu-tao, where the Germans graciously allow the Chinese to reside and do business. Here, it would seem, is a triumphant answer to those who declare that the Chinese merchants will never go to Dalny or Tsing-tao; for here, as a matter of fact, they are in the new German town, buying up land as fast as

CHINESE JUNKS ON THE YALU

they can get it, and building night and day in feverish haste. For some reason or other the Chinese believe in Tsing-tao, and are backing their belief in a practical way. About two miles to the north, in a small plain which lies between the hills and the higher mountain range, there is a model Chinese village, with wide streets, neatly built houses, and a big market-place. This is intended to accommodate all the coolies who are at work on the railway and the harbour, and also the smaller Chinese shopkeepers. The scheme has caused some amusement to visitors and residents alike as being typically German; but it seems on the whole to be fairly successful. It removes the coolie element to a pleasant distance, it enforces on them a sanitary mode of life, and the Government manages to exact a rent of £2 a month for each house. The Chinese love to herd together in overcrowded hovels, but when forced to live decently, they appear to accept the inevitable with equanimity, and one cannot help wishing that the German system might be extended to all the other parts of China which are under foreign influence.

The new harbour lies well inside the bay at the foot of Ta-pu-tao, and was, at the time of my visit, in an embryo state. A large basin was being formed by two great moles, one being semicircular and over two miles in length and the other much shorter and straight. The greater mole was well advanced, but as the basin enclosed by the two is extremely shallow, with rocks here and there under the surface, it was reckoned that four years more would be required

before all the necessary dredging and filling in could be finished and the various piers built. The harbour, when completed, is to accommodate both merchant ships and men-of-war, and to afford docking facilities for both. Before there was really no safe harbourage at all, because the little harbour originally constructed nearer the spit of the promontory has proved to be, as already stated, quite useless for any purpose except possibly to take in large junks—an object which was never in view. Consequently, the shipping companies brought pressure to bear on the Government, and one pier in the new harbour fifteen hundred mètres (seven furlongs) long was ready for use in 1902.

It remains to speak of the roads and railway. The roads, which are being constructed on a lavish scale about all the environments of Tsing-tao, would make even a British engineer envious. They are, however, mainly of local importance. The railway is destined to be the prime factor in the development and future prosperity of the port. When I travelled over it in 1901 it was only in working order as far as the city of Kiao-chau (seventy-seven kilomètres), but preparations were already being made for the festivities in connection with the opening of traffic as far as Kau-mi, the next district town to Kiao-chau, one hundred and three kilomètres from Tsing-tao. The rails were laid to Wei-hsien, which is one hundred and fifty kilomètres from Tsing-tao, last year, and traffic began to assume a real importance. Between Tsing-tao and Kiao-chau a certain amount of cutting has been necessary, but beyond Kiao-chau there are practically

no engineering difficulties until the capital of the province is reached.

Considering that work was begun on the road at the end of the year 1899, and was partially interrupted during the troubles of 1900, no fault can be found with the progress made. The work is solid and well constructed, the gauge being standard (4ft. 8½ft.), the rails (Krupp) weighing about 70lb. to the yard, and the sleepers being of iron. The embankments and ballasting leave nothing to be desired. While the number of kilomètres actually in working order looks very small in comparison with the two thousand kilomètres laid in Manchuria in five years, it must be remembered that the Shantung Railway is being built by a private company and not by a Government, as is the case with the Manchurian Railway, and that in the case of Shantung there is no urgent strategic necessity for the line, and so it is possible to build slowly and solidly, only opening such portions of the line as are really fit for traffic—a rule which of necessity could not be kept in Manchuria.

Commercially speaking, the opening of the line to Kiao-chau proved nothing. The produce of the country (chiefly beans) continued to be shipped in junks from the port of Kiao-chau (which is called Ta-pu-tao, but must not be confused with the commercial portion of Tsing-tao), and was exported chiefly to Ning-po and Swa-tau in sea-going junks owned by the merchants who buy the produce. It could hardly be expected that the Germans could capture this small trade, because to do so they would have to

make steamer rates plus railway rates between Tsing-tao and Kiao-chau equal to junk rates for the whole distance. In the same way Chinese passengers would not use the railway to Kiao-chau, which at present costs them $1.20, when they can go by junk for 200 cash or 20c.

At first the railway rates were far too high, the Germans appearing to have extravagant ideas of what the Chinese can be made to pay, and being in any case disinclined to encourage traffic until they had sufficient rolling-stock for the purpose. But at best the Kiao-chau section of the railway can never pay by itself; it is only when the railway begins to tap the interior that its prospects can be thoroughly gauged. Now that Wei-hsien is open, goods traffic should begin to increase, for it is really the commercial centre of Eastern Shan-tung. The Wei-hsien district, which produces beans and straw-braid and pongee silk, the three specialities of Shan-tung, has hitherto found a means of exit for its trade only through Chi-fu. It requires no arguments to show that it will be more profitable to send goods by rail to Tsing-tao than by wheelbarrow, or cart, or coolie a similar distance over a difficult road to Chi-fu. In other words, Tsing-tao will undoubtedly capture the greater part of the Chi-fu trade, both export and import.

There are many people in the East who will tell you that you cannot change a Chinaman's habits, and that if he is in the habit of taking his goods to Chi-fu he will continue to do so whatever it may cost him. But it is only the fossilised treaty port

merchant who really believes such twaddle as this; and even he, if he consulted his memory, would have to admit that the Chinese trader has always been willing in the past to change his route whenever he found it paid.

It is a moral certainty, therefore, that Tsing-tao will, to a large extent, absorb the export and import trade of Shan-tung, both capturing the old trade and creating by the railway new centres of activity. The railway will also tap the coal mines near Wei-hsien, which are said to be of considerable value, even if the coal is not, according to the usual formula, "equal to the best Cardiff." Finally, it must be remembered that Tsing-tao as a deep-water harbour will be a useful commercial base and distributing centre for all German trade in the north of China, and Manchuria and Korea, thus taking the place, as far as Germany is concerned, of Hong Kong. This is a minor consideration, of course, as long as German goods are carried to a large extent in British vessels, but with the increase of German steamers there will be a similar increase in the importance of Tsing-tao from this point of view.

The main conclusion, therefore, is that, while the new German port cannot expect to rival an emporium like Shanghai, nor even its Manchurian counterpart, Dalny, since Dalny is at the end of an infinitely greater railway system, yet it is destined to extract what commercial profit there is out of the province of Shan-tung, and considering the thrifty nature of the people and the mineral prospects of the country, that profit is not unlikely to be considerable.

That the capital spent on Tsing-tao can ever be exactly repaid in hard cash no one can imagine, but it would be wise at the same time to inquire whether Russia will ever get an exact commercial return for her expenditure at Port Arthur. Primarily Tsing-tao is a naval base, and the money, or a large part of it, had to be spent regardless of direct commercial considerations.

From a political point of view Tsing-tao is not without its advantages. It has given rise to the Shan-tung Railway Company, which in its turn necessitates a military guard. When I was at Kiao-chau a guard of one hundred and twenty mounted men was on its way to Kau-mi, and a similar force were to accompany the line to Wei-hsien and beyond, so that gradually there is formed a line of German troops through Shan-tung just as there are Cossacks in Manchuria. Thus the old railway game is played once more. It is a paying game, because you need never suffer actual defeat. At any moment, by strengthening your guards, you can usurp supreme authority in the province. If, on the other hand, circumstances are too strong for you, it is always easy to withdraw the guard without loss of "face" and without bringing on a conflict. It commits you to nothing, but makes everything possible.

At present the Germans are going quietly on with their work. There are only about two thousand five hundred German soldiers in the whole province, including Tsing-tao; and what, after all, is a little force of a few hundred mounted men, even if it is outside German territory? Nevertheless, there is

an enormous amount of new barrack space in Tsing-tao, and new regiments are coming from home. Are they all for the purpose of helping a private company to build a railway? Perhaps so, and perhaps not. Probably Germany or the German Emperor has not quite decided; but it is always well to be prepared. Some day undoubtedly, and that, too, before long, Shan-tung will be a German province, just as Manchuria is Russian, and if any Power wishes to object, Germany will say with reason that objections are obsolete; and meanwhile our Under Secretaries will continue to say that there is no reason whatever to believe that Germany has any designs on Shan-tung.

Other foreign Powers should not be lulled to sleep by the apparent scuttle of Germany from China. In reality she is going along quietly with her work, more determinedly perhaps than ever. Not only is Tsing-tao being developed commercially, but its defences are now being taken in hand, and by the time Shan-tung is ready to be absorbed the forts at Tsing-tao will be completed. On the whole, the neglected spot on the Shan-tung coast which British officials, both civil and military, dismiss at present with something like contempt, is likely to play a prominent part in Chinese history in the next ten years. I have no wish to exaggerate its importance. The German Government is by no means infallible. Great mistakes have been made at Tsing-tao, as in the case of the small harbour, and red tape is still in the ascendant. I have even heard a prominent German merchant of Tien-tsin vow that he would

never settle in a purely German port like Tsing-tao if he could help it. But the testimony of the Chinese merchants is in such cases of the first importance, and beyond a doubt the Chinese believe in Tsing-tao.

CHAPTER XVI

RAILWAYS AND SPHERES OF INFLUENCE

THE history of our dealings with China may be divided into two periods of unequal length. In the first period we devoted our attention to the "open door" and the integrity of the Chinese Empire; in the second we attempted to solve the international difficulty by cutting China up into Spheres of Influence. The second period began with the Anglo-Russian Agreement of 1899, whereby Manchuria was recognised as the Russian sphere and the Yangtze Valley as the British sphere. During the long negotiations which led up to the final signing of the agreement the only two Powers who were regarded as being really interested in the development of China were Great Britain and Russia. But it was soon recognised that, whatever might be the predominance of these two countries in the political affairs of the Far East, there were at least two others who would insist in having no uncertain voice in determining the destiny of China, and they were Germany and Japan. The natural corollary of this discovery was an agreement with Germany whereby Shan-tung was marked off as the special sphere of German aspirations, while Japan was told that she could push her influence in the seaboard provinces of Chekiang and Fukien,

which, she was reminded, were opposite to her island of Formosa, and, therefore, of great value to her.

The whole scheme of the Spheres of Influence has been so completely exploded, as far as our share in it is concerned, that it would hardly be necessary at this time to dwell upon the lamentable failure of our policy if it were not for the fact that while we have more or less reverted to the older cry of the "open door," other Powers have in the meantime reaped the profit of our temporary fit of mental aberration and have made their Spheres of Influence something more than empty names. Nor can we appreciate the present situation in the Far East, or formulate a new policy of any force or value, unless we clearly understand how deeply we blundered in past years and how changed the conditions have become in the short period which has elapsed since Japan was forced to evacuate the Liao-tung peninsula.

It is only fair to say that the British Government could hardly have contemplated the complete reversal of its policy which actually took place in 1899, when it entered upon negotiations affecting a comparatively unimportant railway scheme in Southern Manchuria. But the fact that neither Lord Salisbury nor Mr. Balfour could foresee the result of their own deliberate actions in the year 1899 is hardly a point in their favour as statesmen in charge of the welfare of their country. They exhibited throughout the negotiations that gay insouciance and complete ignorance of the real issues at stake which has so often characterised the performances of our Foreign Office in dealing with Asiatic questions. That the Foreign Office is

quite incorrigible in this respect was made sufficiently clear by the amazing carelessness displayed in the recent handling of the Bagdad Railway controversy, and that it will remain incorrigible until a properly equipped Asiatic Department is instituted is apparent to every one who has any intimate knowledge of Asiatic politics. That is all the more reason for reviewing our recent policy in China, in order that the general reader may have a definite idea of the direction in which we have been tending. It is easy enough, and, therefore, of little value, to abuse the Foreign Office in general terms for its want of ordinary foresight. It is of considerable value to show wherein our mistakes consisted and how they may in part be remedied.

The negotiations which ended in the Anglo-Russian Agreement of 1899 had comparatively small beginnings in a dispute which arose between this country and Russia over the financing of the Shan-hai-kwan New-chwang Railway. The British bondholders who had advanced the money for the construction of the northern railway which ran from Peking to Shan-hai-kwan had arrived at an agreement with the Chinese Government whereby they were to finance the extension of that railway as far as New-chwang and were to take a mortgage on the whole railway as a security for their bonds. As soon as this arrangement was made public, the Russian Minister at Peking intervened and objected to the mortgaging of any railway north of the Great Wall to foreign bondholders. By way of explanation he declared that the Chinese Government was bound by

a previous agreement with Russia to enter into no such undertaking as far as Manchuria was concerned. The Hong Kong and Shanghai Bank and Messrs. Jardine and Mathieson, as representing the British Corporation, were then compelled to appeal to their own Government to help them to enforce their agreement.

On the face of it the Russian Government had not a leg to stand upon, unless, indeed, they were prepared to produce their previous agreement with China. They might have a thousand secret understandings with China, but not one of them could invalidate any understanding that the Chinese Government might come to with a British corporation. To admit such a principle would be to place ourselves at a great disadvantage in all future dealings with a country like China; for it would always be open to Russia to veto any scheme of ours which she did not particularly approve of by pleading a previous secret engagement. Unfortunately, our Government has been exceedingly timid in meeting this transparent manipulation of the cards. When Russia made a similar secret agreement with Persia regarding the right to build railways, our Government actually went so far as to consider themselves bound by that agreement, of which they had no official cognisance whatever. In the case of the New-chwang railway, our obvious course was either to ignore the Russian protest altogether or to demand that the Russo-Chinese agreement should be produced in its entirety, so that we should know exactly where we stood for the future. Instead of that, we

rather weakly admitted the right of Russia to interfere and began a series of long negotiations, during the course of which Mr. Balfour acted at times for Lord Salisbury, and displayed an equal want of appreciation of the real issues at stake.

It must be said for the Foreign Office that it was not ashamed of its handling of the matter, for it printed a minute account of the negotiations in Blue-book form, which exhibited such an appalling ignorance of Chinese geography on the part of our representatives that nothing in the conclusions they came to need be wondered at. Here is an example: After the negotiations had been going on for the best part of a year, during all of which time the Foreign Office and our ambassador had been furnished with copies of the prospectus of the British Corporation, Count Lamsdorff suddenly discovered that a branch railway to Sing-ming-ting was included in the agreement, and declared that the discovery altered the whole case. Sir Charles Scott apparently had not even read the prospectus, and wired anxiously to the Foreign Office to ask where Sing-ming-ting was—all Chinese names having about the same value to him. The Foreign Office was equally at a loss, and advised the ambassador to ask Count Lamsdorff; but finally, having sent round to the nearest bookseller to buy a map of China, was able to advise the ambassador that Sing-ming-ting would be found in a map which appeared in a recently published book by Mr. Archibald Colquhoun. When we consider that both the Foreign Office and the ambassador had been negotiating for nearly a year

about a railway prospectus which included a branch to Sing-ming-ting, and when it is further remembered that Sing-ming-ting is as important a centre in Manchuria as Birmingham is in England, and that it is marked in large letters on every respectable map of China, one is divided between astonishment at the extraordinary ignorance of the people who are conducting the nation's affairs and admiration of the honesty which led the department to blazon this ignorance in the pages of a Blue-book. Fortunately for the Foreign Office, we have a healthy British public that refuses to read Blue-books.

The negotiations at length came to an end, and had result in an Anglo-Russian agreement which went far beyond the field of the New-chwang railway. We bound ourselves by it not to give Government support to any British scheme for railway or mineral exploitation in Manchuria, while Russia bound herself to a similar abstention in regard to the Yangtze Valley. The agreement was received with warm acclamation by the British public, who had been taught to regard it as a long step towards the annexation of the entire Yangtze Basin, or about half the Chinese kingdom. The spheres of influence policy had been inaugurated.

It is worthy of remark that it was our Foreign Office, and not the Russian Government, which had suggested the broadening of the basis of the negotiations. We might have dealt fairly and squarely with the question at issue which had only reference to the right of a British Corporation to hold a mortgage upon a railway in Manchuria. The Russian Govern-

ment raised an objection on the ground that Russia held prior rights over the whole of Manchuria. We had certainly no cognisance of these prior rights, and had no reason to admit them. But, instead of adopting the straightforward course of refusing to admit these rights, which were obviously at variance with any idea of the independence and integrity of China, a bright notion suggested itself to our Government? Why not bargain with Russia? Let her keep all the rights she claimed in that barbarous and inhospitable region known as Manchuria, if she would in return hand over to us the enormous resources of the great Yangtze Basin. One can picture to oneself the innocent delight of our artless Prime Minister in so hoodwinking the wily Muscovite. It is also quite easy to understand the applause of the British public. Very few people have more than the vaguest ideas about the Far East, and every one was prepared to be pleased when a new kingdom much greater and richer, and more populous than the Nile Valley, was added to the probationary portion of the British Empire. Still it must have occurred to a few level-headed onlookers that there were more parties than one to be consulted in the matter. No one, of course, expected any notice to be taken of China's wishes. But Germany, Japan, and America had surely to be reckoned with. Our Foreign Office was not in the least dismayed. Germany had chosen Shan-tung, a somewhat barren province, and she was welcome to it. Japan was bound to respect our policy in any case, but there was no reason why she should not satisfy her

ambitions by resuscitating the once prosperous but now waning fortunes of Amoy and Foochow. As for America, she was not considered to be in the land-grabbing business, and seeing how little she did to assert herself in the Far East she ought to be very well content to reap what benefit she could out of our ascendency in Central China.

All this took place before the South African War, when we were fairly confident of our own power, and we had no idea that our pride was going to have so sudden a fall. But is it conceivable that any British statesman could have believed that the rival Powers would ever have consented to such a parcelling out of Chinese territory as was implied by the Anglo-Russian and Anglo-German agreements? We had become so accustomed to the process of absorbing the richest parts of the earth that it may not have occurred to us how extremely unequal was the division of the spoils in China; but we may be quite sure that our opponents were fully alive to the situation. And it is certain that Russia, at least, had no intention of prejudicing her rights in the rest of China by signing the agreement of 1899. She had everything to gain and nothing to lose by that agreement, for it fully recognised her special privileges in Manchuria, which she was prepared to maintain if need be by force, while the privileges which it conferred on us, if they had any real meaning, would certainly be contested by the whole world. Germany was in rather a similar position. Her appropriation of Shan-tung, though it was opposed to the "open door" theory, was not likely to create a great amount of

ill-feeling, owing to the comparative insignificance of her prize. She therefore stood to gain Shan-tung and to lose none of her rights on the Yangtze. Besides, it must be remembered that Russia and Germany have always adopted a colonial policy very different from ours. It was natural for them to look for preferential rights in their respective spheres which we should never think of claiming. That is a point which our statesmen should surely have kept before their eyes. Unless we were really going to annex the Yangtze Valley, we could gain nothing at all by calling it our Sphere of Influence. We had exactly the same rights before it was so called as we had afterwards.

We have, in fact, no exclusive rights of any sort in Central China. The only railway built in the Yangtze Valley is a Belgian line constructed largely with French capital and financed by the Russo-Chinese Bank. At Hankow, the mart of the river basin, there have only lately been created German, Russian and Japanese concessions. German and Japanese merchant steamers compete with ours on the river and a Russian gunboat is as free to go to I-chang as a British man-of-war. Even above the gorges the French flag has lately been seen on the little flat-iron gunboat called the *Olry*. All this is as it should be, no doubt. But wherein consists the British Sphere of Influence? Except that we employ more gunboats than any other Power on the river, and, therefore, incur a greater expense, which conduces to the safety of all foreigners, we have no single advantage which is not possessed equally by

the other great Powers. On the other hand, when we turn to the Russian and German Spheres of Influence we see a great difference. Manchuria is now under the control of a Russian viceroy, and to all intents and purposes Russian territory. It will be impossible in the future for any one, without the consent of the Russian Government, to take any part in the exploitation of the immense mineral resources of the country or to build railways or to develop the three eastern provinces in any way. Even the foreign trade of Manchuria will be subject in the course of time, in all probability, to Russian tariffs. In Shan-tung the Germans are carrying out a policy similar to that of the Russians in Manchuria. Though the port of Tsing-tao is nominally open to all the world, foreign merchants are not welcomed there unless they are of German nationality. The railways in Shan-tung are entirely German, and the right to exploit the minerals of the province is reserved for Germans. We could not, in any circumstances, have secured for ourselves exclusive privileges of a like nature in the Yangtze Valley. To have done so would have been contrary to all the traditions of our colonial policy. Therefore, in lending ourselves to what was virtually the partition of China, we had a great deal to lose and nothing to gain. It is probable that sooner or later we must have realised our mistake in the ordinary course of events; but the paralysing effect of the South African War brought us to a sudden awakening. Not only did Russia seize the opportunity to make good her position in Manchuria, but Germany, a mere novice in Chinese politics,

began to carry matters with a high hand. When we entered into an agreement with her to respect the integrity of China—a purely gratuitous step on our part—she interpreted the agreement, with almost barefaced effrontery, to mean that the Spheres of Influence theory held good for Manchuria and Shantung but not for the Yangtze Valley, and in order to leave no doubt in our minds she sent a garrison to Shanghai and kept it there as long as it was possible to do so.

In a certain sense the encumbrance of the South African War may be said to have been a blessing in disguise, for the extreme folly of the Spheres of Influence policy was brought home to us more quickly and forcibly than might otherwise have been the case. In the meantime, America stepped into the arena and began to take up the old cry of the "open door" with new vigour. There is this to be said for the United States Government, that it has never wavered in this respect. It may be urged with truth that no other policy but that of the "open door" could possibly commend itself to the people of America, who have a growing foreign trade to take care of and are constitutionally averse from territorial aggrandisement. But our need of the "open door" was all along just as clear. We only swerved from the true path when we were jockeyed into believing that we had secured a great prize by falling in with Russia's views. Only this year Russia endeavoured to lead the United States astray in a similar manner by offering to do a private deal with her over the Manchurian question. Mr. Hay was not to be taken in,

and he consulted the interests of the United States, and also of the world at large, when he refused to make any separate bargain with Russia.

If we were slow to understand the true inwardness of the Spheres of Influence policy, we were equally uncertain about the value of railways as a political factor. It seems fairly obvious now that Russia secured the control of Manchuria six years ago, when she cut the first sod of the Manchurian railway. When you hold the main artery of traffic through a country and are allowed to protect it with your troops you are just as much master of the country as if you had formally annexed it. There never was any secret about the conditions attached to the Manchurian Railway concession, and the result of that concession was always a foregone conclusion; yet for six years the British Government, through the mouth of its foreign secretaries and under-secretaries, has been adhering to the old belief that Manchuria is part of the Chinese Empire and must be evacuated by Russia. The veriest novice in diplomacy must recognise the fact that Russia cannot evacuate Manchuria in any real sense of the words without surrendering the concession for a railway which she has already built, and to expect her to do that is surely the height of absurdity. It is equally absurd to keep her in a constant state of irritation by asking her to do what we must know she has no intention of doing, and what we certainly cannot make her do. It is not necessary, on the other hand, as some people suggest, to come to an understanding with Russia. All we have to do is to acknowledge the facts of the case and make

our own plans in accordance with them. And certainly one of the first steps towards that end is to recognise what railways have done in the past to convert Spheres of Influence into something of a more permanent nature.

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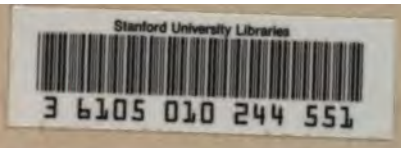

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